



STELLENBOSCH

STELLENBOSCH • PNIEL • FRANKSCHÖEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

Annual Report 2011/12



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CHAPTER 1: MAYOR'S FOREWORD AND EXECUTIVE SUMMARY

COMPONENT A: MAYOR'S FOREWORD

Vision

"Greater Stellenbosch: a world class university town which delivers excellent services to all its citizens and stakeholders" is the vision that drives the municipality's medium-term strategic planning

To achieve the vision, nine strategic goals have been defined. The foundation strategic goals are:

Strategic Goal 1: A leader in governance, partnership and civic participation

Strategic Goal 2: A skilled and customer focused administration

Strategic Goal 3: Sound and sustainable municipal financials

The service delivery goals are:

Strategic Goal 4: A treasured, protected environment

Strategic Goal 5: Responsible development management

Strategic Goal 6: A preferred locality for enterprise development, business creativity and investment

Strategic Goal 7: Dignified living for all

Strategic Goal 8: Efficient infrastructure and services

Strategic Goal 9: A safer town

Key Policy Developments

Two key policies that have been developed and refined, and are due for implementation are the Land Use Management Policy and the Local Economic Development Policy. Both are aligned with the Provincial Growth and Development Strategy, and find expression in the Integrated Development Plan of the municipality.

These policies, together with our red tape reduction strategy and our support for the 110% Green initiative of the Western Cape Provincial Government are designed to unlock the untapped economic potential within Greater Stellenbosch through innovative planning and smart implementation focussed on solving challenges in a cost-effective manner.

Key Service Delivery Improvements

- The separation-at-source programme was rolled out to all 22 wards by November 2011. This reduced the volume of waste at the landfill site that was already experiencing capacity problems.
- The construction of the new cell at the Devon Valley landfill site was commenced to provide sufficient airspace for at least three years with proper waste minimisation and diversion measures as well as the implementation of appropriate waste-to-

energy technologies.

- Additional ward offices were established and ward administrators were appointed to assist ward councillors and to help speed up communication between residents and the municipality. This is of particular value in the outlying areas.
- Ratings Afrika rated Stellenbosch the 2nd best financially sustainable municipality in South Africa attesting to sound financial management and the good service provided.
- At Digteby, Vlottenburg 20 housing units were built and at Klapmuts more than 500 sites were serviced, while families were relocated from the extremely wet Soopjeshoogte and relocated at La Rochelle.
- A number of facilities were upgraded and improved including the Mooiwater Youth Centre, the Kloof-and Lang Street flats, the Kayamandi flats, the Wemmershoek Hall.
- At Klapmuts the first combined public-and-school library in the Western Cape was opened.
- The 100 Days Zero Tolerance project was initiated by the Executive Mayor to help lower the levels of petty crime and minor transgressions and to intensify awareness of the important role of the public in the prevention of crime. This was highly successful and the initial implementation period was extended.
 - A Safety and Security Forum was established in partnership with other stakeholders such as Stellenbosch University, the SAPS, the Community Policing Forums and Stellenbosch Watch.
- The Noble Street Park in Cloeteville was upgraded.
- The capital improvement of facilities at the Jonkershoek picnic site resulted in the highest recorded number of visitors yet.
- The vehicle learners' licence processing backlog was reduced from 90 days to 30 days
- Approximately 5 km of bicycle pathways and pedestrian walkways were constructed.
- More than 20 gravel roads across the Greater Stellenbosch were tarred and 5 major roads in Central Stellenbosch were rehabilitated or resealed.

Public Participation

The "Big Ear" campaign and the "Open Door" policy of the Mayor were aimed at improving liaison with communities, particularly with residents in the outlying smaller villages and residential areas of Greater Stellenbosch. The first was a listening campaign initiated by the Mayor to engage with communities on the ground, to hear at first and what problems our citizens were experiencing, and the second was to accommodate stakeholder groups to contribute suggestions and to offer critical comment on service delivery and developmental issues.

This was done in addition to maintaining the very good relationships with local newspapers, and supplying dates of public engagements through the regular municipal letter.

Future Actions

Stellenbosch has experienced very rapid expansion and population inflow over the past few years, in addition to rapidly increasing student numbers. This has necessitated urgent and comprehensive attention to our aging and inadequate infrastructure in order to sustain our present economic growth rate.

These medium-term plans relate in particular to the upgrading of our sewerage system, water reticulation and providing a lasting solution for waste management in a sustainable manner.

Agreements / Partnerships

The existing partnership with the university has been revitalised and strengthened by regular Mayor-Rector meetings and with local academics on a more informal basis.

In partnership with SUSPI the Stars of Tomorrow sports development programme was rolled out in various communities.

Initiated a wireless internet connection system with Mxit and Stellenbosch University.

Conclusion

Stellenbosch has become a prime tourist destination, its educational institutions are attracting increasing numbers of students, more and more corporate entities have identified the town as a prime location for headquarter offices, investment in property is expanding and job seekers are drawn to the town by its economic performance and potential.

In order to sustain the current growth patterns a lot more needs to be done, possibly with lesser means. This means that the town has to work and live smarter and dare to innovate. New growth paths have to be explored and pioneered, and this opens up exciting possibilities and challenges for Stellenbosch.



CJ Sidego

Executive Mayor

COMPONENT B: EXECUTIVE SUMMARY

1.1 MUNICIPAL MANAGER'S OVERVIEW

Stellenbosch Municipality is a Category B Municipality and its powers and functions are assigned to it in terms of the Constitution of the Republic of South Africa, 1996, Sections 155 and 156 and the local government matters referred to in Parts B of Schedules 4 and 5. Chapter 3 of the Local Government: Municipal Systems Act and Regulations 32 of 2000 also describe powers and functions of municipalities. The executive and legislative authority of a municipality is described, as well as the development and implementation of by-laws to give effect to its policies and to support strategies.

During the course of the 2011/12 financial year the Municipal Manager tendered his resignation. Subsequent to that a recruitment and selection process was followed which resulted in the appointment of a new Municipal Manager. Through an Organisational Design process during which a new macro-organogram was approved by Council, a new post was created for the position of Director: Housing and Property Management, whilst the post of Director: Community Services was done away with. The municipality is in the process of filling the position of Director: Human Settlement and Property Management.

Administrative policies to curb spending included limiting attendance of conferences and events outside the municipality, the utilisation of municipal meeting venues and limiting overnight arrangements where possible. Initiatives for the next financial year include a Red Tape Reduction Project, and an initiative to distribute agenda's electronically.

Council established a 'Fruitless and Wasteful Expenditure' Committee which monitors Council in terms of its expenditure patterns. This committee reports all transgressions to Council where after due process is followed.

The organization has not adopted shared services as a strategy to maximize efficiencies. Discussions are, however, underway with the Cape Winelands District Municipality to explore partnerships that will benefit the community of Stellenbosch Municipality.

The municipality received an unqualified audit opinion for the fifth consecutive year and I accordingly confirm that the Audited Annual Financial Statements reflects in all material aspects the financial position of Stellenbosch Municipality as at 30 June 2012 and its financial performance and its cash flows for the year ended in accordance with the SA standards of GRAP and in the manner required by the MFMA and DORA. The administration monitored all the previous audit queries on a monthly basis to prevent a repetition of queries. Compliance and the challenge to stay abreast of all new legislation and regulations remain difficult.

The liquidity position of the municipality is absolutely sound and improved from 2.93:1 at 30 June 2012 to 4.95:1 for the period ending 31 December 2012. This indicates a remarkable improvement when taking into account funding that could be made

available immediately to cover short-term commitments. The latter statement is limited to the municipality's current assets minus inventory (available cash) to cover its current liabilities. The norm for this ratio is 2:1. Council's investment portfolio grew from R337 million (audited) to just over R400 million for the period ended 31 December 2012. It is however relevant at this juncture to mention that the slow capital spending performance for the period under review, to a limited extent, influenced the ratio positively.

The Municipality is maintaining a healthy payment rate as a result of effective credit control management and enforcements of its policies and by-laws. To maintain this situation it is important to keep services not only affordable, but delivering same in the most efficient and economical manner as we are very aware of the increasing pressure on disposable income levels of our citizens.

Financial sustainability as reflected by the financial ratios indicates a healthy debtor recovery rate at 98%. The municipality was rated 2nd best Financially Sustainable Municipality in South Africa by Ratings Africa. The water losses at 22,3% remains a challenge, while electricity losses was 10,3 %.

During this period the municipality facilitated the establishment of Ward Committees and all efforts were made to make the Ward Committee System functional in the interest of improved participatory democracy. Whilst there has been good progress in this regard, there are still substantial room for improvement in harnessing closer co-operation and collaboration between communities and the municipality.


Risk management remains an integral part of the basis for determining Stellenbosch Municipality's priority areas. An electronic risk register is planned to assist with the management of risks.

For the financial year, the risk management function was outsourced to an external service provider for the first half of the year. A risk officer was only appointed in the latter half of the year to take ownership for the risk management function. The ultimate goal of the municipality is to embed risk management in all processes and operations. Strategic Risk workshops were held with all directorates including awareness training on risk management.

The top 5 risks of the municipality are the following: Ageing infrastructure and equipment, Human resource capacity constraints, Non-compliance to legislation, Lack of contract management and Inadequate safeguarding of assets.

Of these the condition of its infrastructure assets is a very specific concern of Council as our aging infrastructure, particularly in the areas of water and waste water treatment, presents a serious threat to sustainable development in our municipality. In response, Council has upgraded the Paradyskloof Water Treatment facility to increase the treatment capacity, thereby eliminating a risk in terms of water provision capability. Water provision capability to the Franschhoek area has also been improved through the upgrading of the ware pump station and supply pipes. An additional reservoir for the area is in the process of being planned and designed for implementation.

Thank you to all residents, visitors, partners, community groups and NGO's, as well as to staff for your excellent support during 2011/12. The Directors and I look forward to improving service delivery together with all staff through innovation and partnerships during 2012/13.

A handwritten signature in black ink that reads "EC Liebenberg". The signature is written on a horizontal dashed line.

Christa Liebenberg
Municipal Manager

1.2 MUNICIPAL FUNCTIONS, POPULATION AND ENVIRONMENTAL OVERVIEW

This report addresses the performance of the Stellenbosch Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2011/12 Annual Report reflects on the performance of the Stellenbosch Municipality for the period 1 July 2011 to 30 June 2012. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the Municipality must prepare an Annual Report for each financial year.

1.2.1 VISION AND MISSION

The Stellenbosch Municipality committed itself to the vision and mission of:

Vision:

“Greater Stellenbosch: a world class university town which delivers excellent services to all its citizens”

Mission:

It is our mission to offer the people of the Greater Stellenbosch area:

- Trustworthy, accountable, efficient and transparent municipal governance.
- Responsible decision-making and processes on the allocation of public money and resources.
- Dignified and meaningful engagement with municipal structures and service areas.
- Opportunities to help shape the future of the municipality.
- The opportunity to benefit from national, provincial and local partnerships and cooperation.
- Equitable, affordable and sustainable municipal services.
- Fair access to the benefits of urban society and capacity building opportunities.
- The opportunity to contribute to global, national, provincial, regional, and local economic growth and development.

1.2.2 DEMOGRAPHIC INFORMATION

A) MUNICIPAL GEOGRAPHICAL INFORMATION

Stellenbosch Municipality is located in the heart of the Cape Winelands. It is situated about 50km from Cape Town and is flanked by the N1 and N2 main routes. The municipal area covers approximately 900 km² and has a population of approximately 270 000 people. The municipality's area of jurisdiction includes the town of Stellenbosch and Franschhoek as well as a number of rural hamlets such as Wemmershoek, La Motte, De Novo, Kylemore, Pniel, Johannesburg, Languedoc, Groot Drakenstein, Muldersvlei, Klapmuts, Elsenburg, Raithby, Jamestown, Koelenhof and Vlothenburg (most with a population of less than 5 000).

The small towns, villages, hamlets and their hinterland are all an integral part of the Stellenbosch economy, where production, marketing and agricultural services are provided. They also render important administrative and social-service functions and are strongly independent within the functional settlement hierarchy of the Cape Winelands. In fact, Stellenbosch itself prevails as

the most developed town, not only in the local municipal area, but also the Cape Winelands. Its services extend well beyond the municipal, district, provincial and even national boundaries.

Wards

The Municipality is currently structured into the following **22** Wards:

WARD	AREAS
1	Franschhoek Town, Bo-hoek Farms, Groendal & Mooiwater
2	Langrug, La Motte, Dennegeur
3	Wemmershoek/Lynquedoc/ Meerlust
4	Pniel/Kylemore/Johannesdal
5	The Ridge/ Lindida/Idasvalley (Hydro into the direction of Idasvalley & Omega Street to Jonkershoek)
6	Idas Valley & Farms (Nuutvoorbij, Timberlea, Morgenhoff/Remhoogte, Muratie/Groenhof/Delheim/Lievland/Kanonkop/Uitkyk/Glenelly/ emerle/Laundry/ Peckham / Laveneer)
7	Mosterdsdrif/Kolonieshof/Karindal/Rozendal/Uniepark/Simonswyk/Universiteits Oord/De Weides)
8	Stellenbosch Central
9	Stellenbosch Central
10	Tenantville/La Coline
11	Onder Papagaai Berg
12	Kayamandi
13	Kayamandi
14	Kayamandi
15	Kayamandi
16	Cloetesville
17	Cloetesville/Welgevonden
18	Klapmuts & Omliggende Plase
19	Elsenburg/De Nova
20	Vlottenburg/Raithby/Lynedoch to Meerlust/ Eikendal/Mooiberge/Faure
21	Jamestown/Paradyskloof/De Zalze//Techno Park/ Blaauwklippen / Omliggende Plase
22	Die Boord/Dalsig

Table 1: Municipal Wards

Below is a map of the Municipality's jurisdictional area:

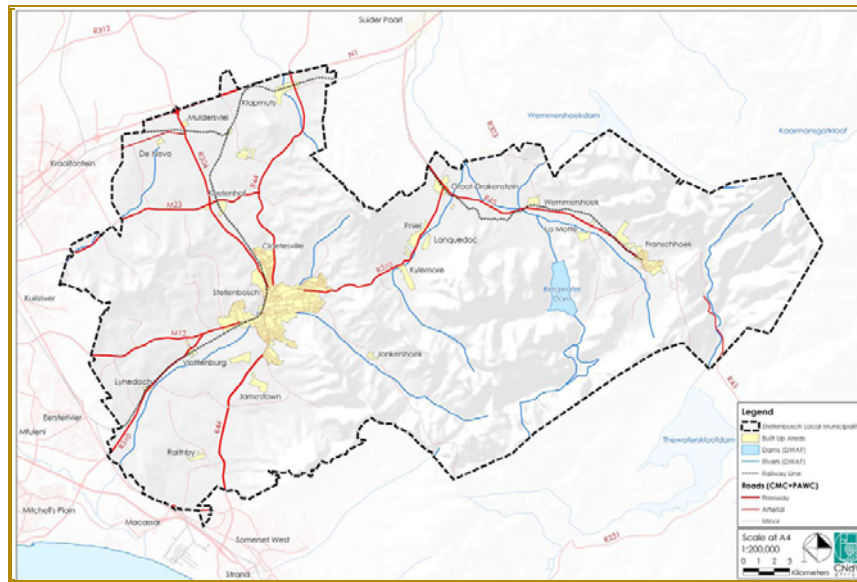


Figure 1 Locality map

B) POPULATION

Based on the 2011 national census, Stellenbosch's population is estimated said to have grown from 118 700 to 155 733 from 2001, i.e. at an annual growth rate of 3.1% which is more in line with the annual growth rate of South Africa's overall population. (Based on the 2001 national census and the Municipality's 2007 community survey, the population is said to have grown from 118 700 to 200 500, i.e. at an annual growth rate of 9,2 %)

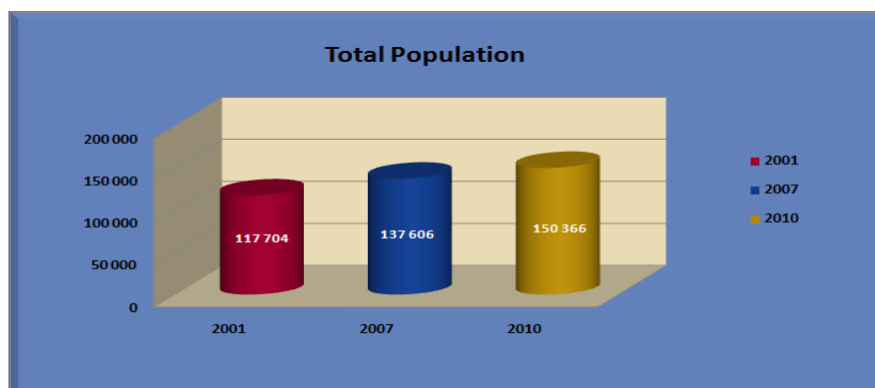
The table below indicates the total population within the municipal area:

Population	2001	2007	2010
	117 704	137 606	150 366

Table 2: Demographic information of the municipal area – Total population

Source: In-house calculations based on Stats SA, Census 2001 and Census 2011

The graph below illustrate the yearly population growth for the municipal area.



Graph 1: Total Population Growth

Source: Stats SA, Community Survey 2007

c) HOUSEHOLDS

The total number of households within the municipal area increased from 22 536 households in the 2010/11 financial year to a total of 23 096 households in the 2011/12 financial year. This indicates an increase in the total number of households with 560. The number of indigent households in the municipal area increased with 2% or 728 households.

Households	2010/11	2011/12
Number of households in municipal area	22 536	23 096
Number of indigent households in municipal area	3727	4455
Percentage of indigent households in municipal area	17	19

Table 3: Total number of households

d) KEY ECONOMIC ACTIVITIES

The economy within the municipal boundary is diverse and highly specialised providing goods and services well beyond regional and even national boundaries. Financial and business services contribute the largest share to the economy followed by manufacturing, together these sectors contribute over half of the economic value. Trade and government services together make up another quarter of the economy with a fairly even split. Agriculture, transport and communication, community, social and personal services and construction make up the approximately 20% of the economy. Tourism contributes a large share to the local economy and employment.

Key Economic Activities	Description
Services Sector: Education, Financial, Business, administrative and Government	A well-established financial and business service sector. Proximity to large metropolitan market and related services. Growth within the service sector is robust, requiring skilled labour operating with higher levels of capital. The potential exist to diversify product range and services offered. Growth potential exist with business process outsourcing and expansion of professional services offered.
Tourism: Wine, Food, Wellness, Historic Homesteads; Adventure and Sport	Well-established cultural tourism; health and wellness tourism; eco and adventure tourism and academic/conference tourism markets. Physical features and location close to metro contribute towards Stellenbosch's desirability for eco/adventure tourism, includes road and mountain bike trails, hiking, water sports, etc. Increasing trend to combine business with health or eco/adventure tourism. Corporate wellness is a growing market in the industry. The area provides the full spectrum of health care activities (health, skin care, massage, etc). International students attending Stellenbosch University contribute significant to the GRDP
Manufacturing	The municipality has a large manufacturing base, accounting for close to 30 per cent of GDP. The average manufacturing growth rate of 3.2 per cent per annum conceals the robust growth (7 per cent per annum plus) of a number of smaller industries, such as automotive components, electrical machinery, radio, TV & apparatus, metals & machinery and furniture, as well as clothing, textiles & leather goods. The manufacturing sector is dominated by the agri-processing industries (e.g. wine making), accounting for three quarters of manufacturing real value add and growing by a more pedestrian 2.3 per cent per annum.
Agriculture and agri-processing	Stellenbosch has a strong agricultural sector dominated by grape and deciduous fruit production, which account for 87.5 per cent of total production by volume for Stellenbosch (SSA, 2006). Agricultural activities are responsible for over 80 per cent of land use in Stellenbosch, with wine grapes alone accounting for 71.5 per cent (SSA, 2006). With an estimated 60.35 per cent of total produce from the region currently exported

Table 4: Key Economic activities

1.2.3 Socio Economic Information

A) Socio Economic Growth

The socio-economic information for the municipal area is as follows:

Housing Backlog	Unemployment Rate	Households with No Income
21000	21.4%	8 961

Table 5: Socio Economic information

Source: Winelands Region IDP (2007/08), Stats SA 2001 Census

B) POPULATION BY GENDER/RACE

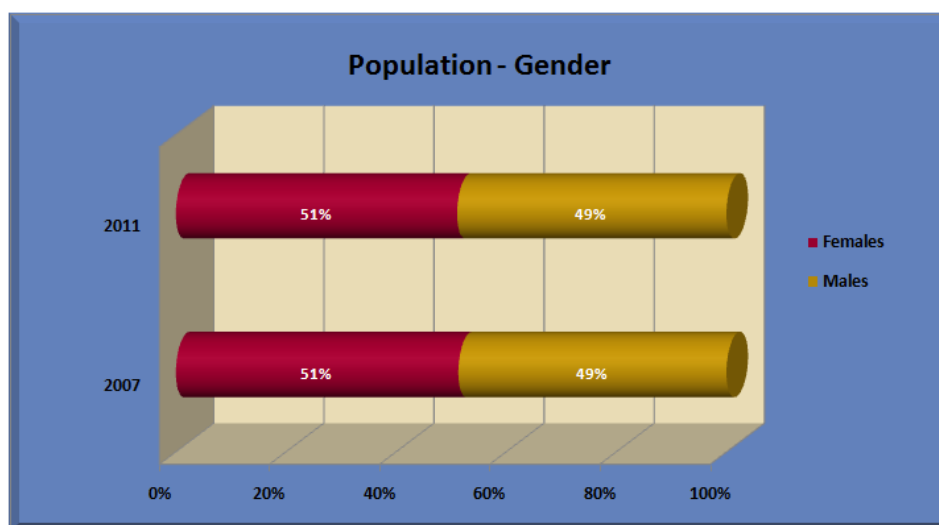
The population is fairly equally distributed in terms of gender with 51% females and 49% males.

Population - Racial	2007			2011		
	Male	Female	Total	Male	Female	Total
Black	24 270	27 887	52 157	22 152	21 564	43 716
Coloured	51 743	58 417	110 160	38 957	42 404	81 361
Indian	445	490	935	319	304	623
White	21 169	16097	37 266	13 916	14 825	28 741
Other	Not applicable	Not applicable	0	831	459	1290
Total	97 627	102891	200 518	76 175	79556	155 731

Table 6: Demographic information of the municipal area – Gender

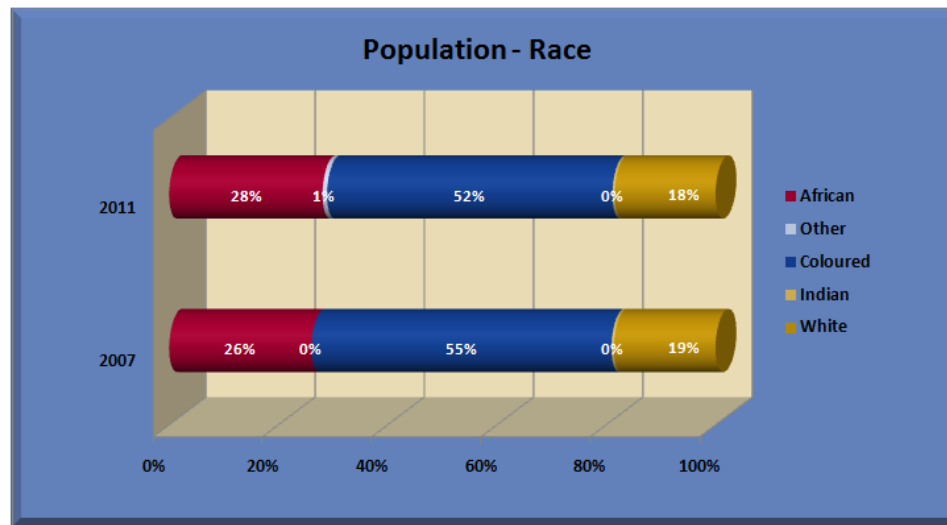
Source: Community Survey 2007 and Census 2011

The following graph displays the female and male population.



Graph 2: Gender Population

The graph below represents the population by race.



Graph 3: Population by race

1.2.4 MUNICIPAL CHALLENGES

The following general challenges are experienced by the Municipality:

CHALLENGES	ACTIONS TO ADDRESS
Lack of funding for appointments within various directorates	Sourcing additional funding to ensure that departments can function better operationally and provide a more effective and efficient service.
Challenges with inter-departmental cooperation	The municipality to consider diversity management training
Budget constraints	Prioritise most important items
Human Resources constraints	Use of interns
Information flow and dissemination	Inter-departmental Committees
Deteriorating of roads infrastructure	The road surfacing condition has deteriorated from "very good" in 2002 to "fair" in 2011. Should the condition of the surfacing be allowed to deteriorate further will it start affecting the structural integrity of the road which will lead to substantially higher maintenance and rehabilitation costs. These issues should therefore receive higher priority in future budgets.

Table 7: Municipal Challenges

1.3 SERVICE DELIVERY OVERVIEW

1.3.1 BASIC SERVICES DELIVERY PERFORMANCE HIGHLIGHTS

Highlight	Description
Separation-at-source programme	This programme was rolled-out to all 22 wards in the Stellenbosch region, where all recyclable waste is placed in a separate clear plastic bag for collection. The roll-out was completed in November 2011, and has been in operation since then. Participation rates are promising, and the communities are supportive of the initiative. Many have commented on the reduction of volume of black bag waste, which in turns means less waste for landfill

Highlight	Description
Construction of new lined cell at the Devon Valley (Stellenbosch) Landfill	The construction of the new cell commenced in March 2012, and was initially planned for completion by July 2012. However, due to adverse weather conditions at the critical stage of the construction programme, this project is delayed and will be completed by November 2012. The new cell is approximately half a hectare in size, and may reach a maximum height of 20m. It is anticipated that the new cell should provide airspace for 3-5 years, depending on waste minimisation and diversion measures that need to be in place.
Waste characterisation study of the Stellenbosch waste stream	In May 2012, the first waste categorisation study was undertaken for Stellenbosch Municipality over a two week period. Students from Stellenbosch University and the Sustainability Institute, as well as 23 EPWP workers were brought on board this project to assist with the weighing, recording and separation of the various waste streams per sample black bag opened. The initial results showed that this municipality has a large organic waste fraction, which is much higher than initially predicted. Anaerobic Digestion or any similar waste-to-energy proposal, as well as composting of the waste stream, may prove to be useful landfill diversion opportunities that must be explored.
Waste to Energy	In March 2012, initial discussions began with Provincial Government's Green Cape initiative, to explore the processes that need to be followed to evaluate and recommend WtE technologies that will be appropriate and suitable for this municipality. A number of proposals are received by this municipality on various WtE initiatives, but as this is not a common disposal technique in South Africa, expertise in this field is limited in terms of technical and financial risk assessment.

Table 8: Basic Services Delivery Highlights

1.3.2 BASIC SERVICES DELIVERY CHALLENGES

Service Area	Challenge	Actions to address
Recycling	Shortages of resources	A proper material process flow, adhering to all legal compliance issues must be implemented
Disposal	Lack of immediate airspace	Waste must be diverted to landfills outside Stellenbosch until the new cell is operational

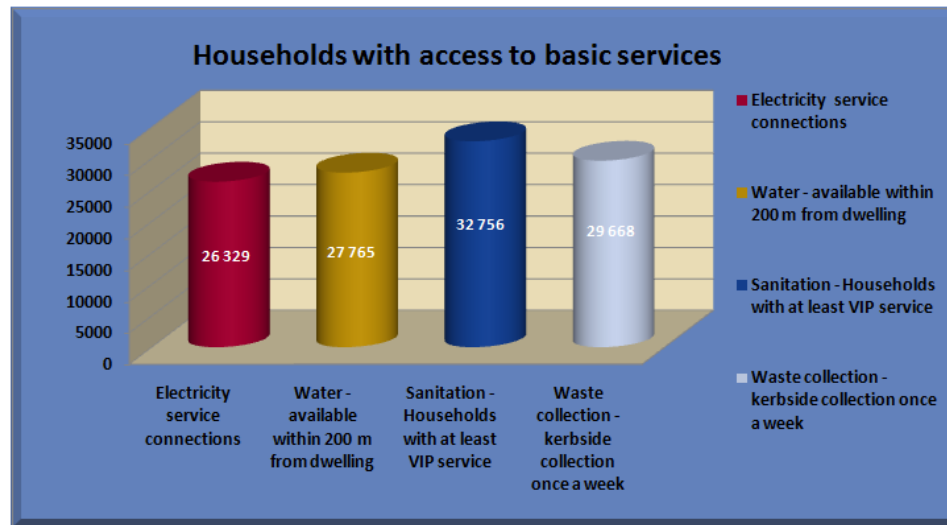
Table 9: Basic Services Delivery Challenges

1.3.3 PROPORTION OF HOUSEHOLDS WITH ACCESS TO BASIC SERVICES

Service	2011/12
Electricity service connections	26329
Water - available within 200 m from dwelling	27765
Sanitation - Households with at least VIP service	32756
Waste collection - kerbside collection once a week	29668

Table 10: Households with minimum level of Basic Services

The graph below indicates the households with access to basic services



Graph 4: Households with access to basic services

1.4 FINANCIAL HEALTH OVERVIEW

1.4.1 FINANCIAL VIABILITY HIGHLIGHTS

Highlight	Description
Rated the 2 nd Best Financially Managed Municipality in South Africa	Ratings Africa annual municipal financial sustainability index rated Stellenbosch Municipality the best financial sustainable municipality in the Western Cape and 2 nd in South Africa.
Improved Collection Rate	98% Collection rate for 2011/12
Unqualified Annual Financial Statements	5 th Consecutive Unqualified Audit Outcome

Table 11: Financial Viability Highlights

1.4.2 FINANCIAL VIABILITY CHALLENGES

Challenge	Action to address
Debt Collection	Traceability of all Debtors
Indigents	Identifying of indigent debtors
Identifying new revenue streams	Establish a task team to identify additional revenue streams
Identifying and addressing revenue leakage	Implementation of controls to ensure that all revenue are billed

Table 12: Financial Viability Challenges

1.4.3 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (RATIOS)

The following table indicates the municipality's performance in terms of the **National Key Performance Indicators** required in terms of the Local Government: Municipal Planning and the Performance Management Regulations no 796 of 2001 and section 43 of the MSA. These key performance indicators are linked to the **National Key Performance Area** namely **Municipal Financial Viability and Management**.

KPA & Indicator	2010/11	2011/12	Comments
Debt coverage ((Total operating revenue-operating grants received):debt service payments due within the year)	26.4	29.1	The ability to fund our capital programmes, to some extent from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.
Service debtors to revenue – (Total outstanding service debtors: revenue received for services)	13.6%	15.5%	Increased revenue received from services led to the increase in this ratio.
Cost coverage ((Available cash+ investments): Monthly fixed operating expenditure	6.7	7.7	The increased ratio is a clear indicator of the increased financial sustainability of the municipality.

Table 13: National KPI's for financial viability and management

1.4.4 FINANCIAL OVERVIEW

	Original budget	Adjustment Budget	Actual
Details	R'000	R'000	R'000
Income			
Grants(Operating + Capital)	125 455	122 645	112 239
Taxes, Levies and tariffs	658 058	664 558	695 600
Other	72 633	72 633	78 675
Sub Total	856 146	859 836	886 514
Less Expenditure	842 801	839 480	797 161
Net surplus/(deficit)	13 345	20 356	89 353

Table 14: Financial Overview

1.4.5 OPERATING RATIOS

Detail	Expected norm	Actual	Variance
Employee Cost	30%	28.41%	(1.59%)
Repairs & Maintenance	20%	6.21%	(13.79%)
Finance Charges & Depreciation	10%	13.8%	3.8%

Table 15: Operating ratios

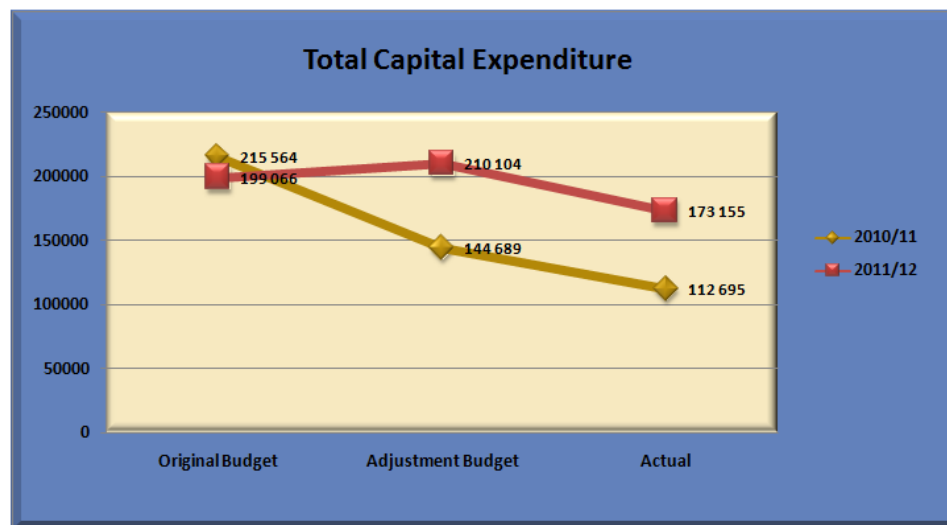
Employee cost is 1.59% lower than the norm of 30% which represents a positive outcome. Repairs and maintenance are also 13.79% below the norm of 20% which indicates that expenditure on repairs and maintenance would have to be increased in

future budgets to properly maintain Council's assets. It should however be noted that due to the implementation of GRAP 17 and the subsequent unbundling process, the asset base of the municipality tripled in value, creating a skewed picture of what is the Rand value needed to maintain said infrastructure. Although finance charges and depreciation are 3.8% higher than the norm of 10%, this can mainly be attributed to the higher depreciation generated as a result of the componentisation of infrastructure assets in terms of GRAP.

1.4.6 TOTAL CAPITAL EXPENDITURE

Detail	2010/11	2011/12
	R'000	R'000
Original Budget	215 564	199 066
Adjustment Budget	144 689	210 104
Actual	112 695	173 155

Table 16: Total Capital Expenditure



Graph 5: Total Capital Expenditure

1.5 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Stellenbosch Municipality embarked on the crafting of their 3rd Generation 2012/17 Integrated Development Plan and Medium-term Revenue and Expenditure Framework for 2012/15 during 2011/12 with enthusiasm and fortitude. A Process Plan paving the way for ensuring an inclusive and comprehensive IDP process was approved by Council in August 2012 and culminated in the adoption of the 2012/17 IDP on 31 May 2012. This marked yet another milestone in the municipality's path for social transformation and development. The process was also marked with a renewed commitment to ensure that our organisational structure, human resources, skills and capacity entrenched in our officials and councillors all contribute immensely to the successful execution of our municipal strategy.

The IDP Indaba meetings took place as follows:

Wards	Venue	Date
1, 2, 3, 4 & 5	Franschhoek Town Hall	11 April 2011
6, 7, 8, 9, 10, 11, 12 & 16	Stellenbosch Town Hall (Plein Street)	12 April 2011
12, 13, 14 & 15	Community Hall, Kayamandi	13 April 2011
17, 18 & 19	Jamestown Ward Office	14 April 2011

Table 17: IDP Indaba meeting dates

1.5.1 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT HIGHLIGHTS

Highlight	Description
Approval of Micro Organisational Structure	4 October 2011
Approval of Macro Organisational Structure	25 April 2012

Table 18: Municipal Transformation and Organisational Development Highlights

1.5.2 MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT CHALLENGES

Challenge	Actions to address
Issuing of placement objection outcomes	Directors Forum must approve the issuing of placement objection outcomes.
A lack of a 2012 micro structure in line with the approved macro organisational structure of 2012.	Streamlining the drafting and implementation of the 2012 Micro Structure.

Table 19: Municipal Transformation and Organisational Development Challenges

1.5.3 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013, employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

16 Employees were identified to obtain the above mentioned qualification and prescribed competencies. All three groups completed the training in October/November 2012.

The table below provides details of the financial competency development progress as required by the regulation:

Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	1	0	0	0
Chief financial officer	1	0	0	0
Senior managers	4	0	0	0
Any other financial officials	9	1	Not applicable	1
Supply Chain Management Officials				
Heads of supply chain management units	1	0	Not applicable	0
Supply chain management senior managers	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	16	1	0	1

Table 20: Financial Competency Development: Progress Report

1.6 AUDITOR GENERAL REPORT

Stellenbosch Municipality received an unqualified audit report by the Auditor-General for the 5th consecutive year. The unqualified audit opinion means that the financial statements present fairly, in all material respects, the financial position and its financial performance and cash flows in accordance with applicable laws, regulations and standards.

However, the following matters of emphasis were highlighted by the Auditor-General:

- Restatement of corresponding figures - the corresponding figures for 30 June 2011 has been restated as a result of errors discovered during the 2011-12 financial year in the financial statements; and
- Material losses - the municipality has suffered a significant water loss of 1 652 058 KL which represents a loss of 13.47% on water purchases. An amount of R19 397 224 of irrecoverable debt was written off during the financial year.
- Predetermined objectives – the Auditor General was unable to report on the usefulness and reliability of the of the annual performance report of Stellenbosch Municipality as it was not prepared as required by section 46 of the MSA and section 121(3)(c) of the MFMA.

We will continue the process to improve on various areas of public administration towards the clean audit goal of 2014.

1.6.1 AUDITED OUTCOMES

Year	2007/08	2008/09	2009/10	2010/11	2011/12
Status	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

Table 21: Audit Outcomes

CHAPTER 2: GOVERNANCE

Good governance has 8 major characteristics. It is participatory, consensus oriented, accountable, transparent, responsive, effective and efficient, equitable and inclusive and follows the rule of law. It assures that corruption is minimized, the views of minorities are taken into account and that the voices of the most vulnerable in society are heard in decision-making. It is also responsive to the present and future needs of society.

A) NATIONAL KEY PERFORMANCE INDICATORS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 796 of 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2009/10	2010/11	2011/12
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	66.52	78.14	82.30

Table 22: National KPIs - Good Governance and Public Participation Performance

B) PERFORMANCE HIGHLIGHTS - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Highlight	Description
Internal Audit is doing exceptional work	The quality of the audits has led to various interventions to improve governance and administration
Ratings Afrika(Municipal Financial Stability Index)	Rated Stellenbosch Municipality 2 nd Best Financially Sustained Municipality in South Africa
Sustainability Evaluation (INCA)	Rated very highly sustainable
Unqualified Audit Report	Received an unqualified Audit Report for the 5th consecutive year
Improved Debtors Collection Rate	An improved collection rate of debtors - 98%

Table 23: Good Governance and Public Participation Performance Highlights

C) CHALLENGES - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Description	Actions to address
IDP Public Participation Meetings were not held in all wards, leading to discontent amongst community members and councillors who feared that their ward-specific issues would not be addressed. All community members were invited to town-based meetings and transport was provided in all instances.	Ward-based meetings will be held to ensure that proper recording of unique ward community needs takes place and that these needs are considered duly by the Ward Committees, the Administration and Council.

Table 24: Good Governance and Public Participation Challenges

COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE STRUCTURE

The council performs both legislative and executive functions. It focuses on legislative, oversight and participatory roles, and has delegated its executive function to the Executive Mayor and the Mayoral Committee. Its primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as policy makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

A) COUNCIL

Below is a table that categorised the councillors within their specific political parties and wards:

Name of councillor	Capacity	Political Party	Ward representing or proportional
F Adams	Part-time	SPA	PR
DS Arends	Part-time	ACDP	PR
NM August	Part-time	DA	Ward Councillor
HC Bergstedt (Ms)	Part-time	COPE	PR
PW Biscombe	Mayco member	DA	Ward Councillor
DC Botha	Part-time	DA	PR
A Crombie (Ms)	Part-time	DA	Ward Councillor
JA Davids	Part-time	ANC	PR
L de Villiers	Part-time	DA	Ward Councillor
R du Toit (Ms)	Part-time	DA	Ward Councillor
V Fernandez (Ms)	Mayco member	DA	Ward Councillor
JSA Fourie	Part-time	DA	PR
AR Frazenburg	Part-time	DA	Ward Councillor
N Gciza (Ms)	Part-time	ANC	Ward Councillor
DA Hendrickse	Part-time	SCA	PR
JK Hendriks	Part-time	DA	Ward Councillor
N Jindela	Mayco member	DA	PR
MC Johnson	Part-time	DA	Ward Councillor
S Jooste	Part-time	ANC	PR
CP Jooste	Speaker	DA	PR
DD Joubert	Part-time	DA	Ward Councillor
SJ Louw (Ms)	Mayco member	DA	Ward Councillor
N Mananga-Gugushe (Ms)	Part-time	ANC	Ward Councillor
EL Maree (Ms)	Part-time	DA	Ward Councillor
NE McOmbring (Ms)	Part-time	DA	Ward Councillor
LX Mdemka (Ms)	Part-time	DA	PR

Name of councillor	Capacity	Political Party	Ward representing or proportional
C Moses (Ms)	Part-time	ANC	PR
RS Nalumango (Ms)	Part-time	ANC	PR
N Ntsunguzi (Ms)	Part-time	ANC	Ward Councillor
MM Ngcofe	Part-time	ANC	PR
KE Qotywa (Ms)	Part-time	SCA	PR
WJ Pretorius	Part-time	DA	PR
PJ Retief	Mayco member	DA	Ward Councillor
L Ronoti	Part-time	ANC	Ward Councillor
JP Serdyn (Ms)	Mayco member	DA	Ward Councillor
CJ Sidego	Executive Mayor	DA	PR
P Sitshoti (Ms)	Part-time	ANC	Ward Councillor
LN Siwakamisa (Ms)	Part-time	ANC	PR
Q Smit	Mayco member	DA	Ward Councillor
MG Smuts	Deputy Executive Mayor	DA	Ward Councillor
LL Stander	Part-time	NPP	PR
PJ Venter	Mayco member	DA	PR
M Wanana	Part-time	SCA	PR

Table 25: Council 2011/12

Below is a table which indicates the Council meetings attendance for the 2011/12 financial year:

Meeting dates	Number of items (resolutions) submitted	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
28 July 2011	6	97.7	2.3
25 August 2011	20	97.7	2.3
27 October 2011	12	90.7	9.3
24 November 2011	10	97.7	2.3
26 January 2012	6	95.3	4.7
28 February 2012	24	100	0
29 March 2012	10	100	0
25 April 2012	8	95.3	4.7
31 May 2012	11	100	0
20 June 2012	6	93.0	7.0

Table 26: Council meetings

B) EXECUTIVE MAYORAL COMMITTEE

The Executive Mayor of the Municipality, **Alderman CJ Sidego**, assisted by the Mayoral Committee, heads the executive arm of the Municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of

the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the Municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2011 to 30 June 2012:

Name of member	Capacity
CJ Sidego	Executive Mayor
MG Smuts	Deputy Executive Mayor
PW Biscombe	Mayco member
V Fernandez	Mayco member
N Jindela	Mayco member
SJ Louw	Mayco member
PJ Retief	Mayco member
JP Serdyn	Mayco member
Q Smit	Mayco member
PJ Venter	Mayco member

Table 27: Executive Mayor-in-Committee 2011/12

The table below indicates the dates of the Executive Mayor-in-Committee meetings and the number of reports submitted to Council for the 2011/12 financial year:

Meeting date	Number of items submitted
20 July 2011	03
17 August 2011	28
22 August 2011	03
21 September 2011	06
19 October 2011	22
16 November 2011	10
9 December 2011	05
18 January 2012	03
22 February 2012	11
23 March 2012	06
26 March 2012	01
18 April 2012	05
20 April 2012	01
24 May 2012	12
19 June 2012	06

Table 28: Committee Meetings

(Please note that the name and functions of the committees have on numerous occasions been altered due to the change of council.)

c) PORTFOLIO COMMITTEES

In terms of section 80 of the Municipal Structures Act, 1998, if a council has an executive committee; it may appoint in terms of section 79 committees of councillors to assist the executive committee or executive mayor. Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise the executive committee on policy matters and make recommendations to Council.

The portfolio committees for the 2011/12 Mayoral term and their Chairpersons are as follows:

PLANNING, IHS AND PROPERTY MANAGEMENT PORTFOLIO COMMITTEE

Name of member	Capacity
MG Smuts	Portfolio Chairperson
F Adams	Committee member
HC Bergstedt (Ms)	Committee member
DC Botha	Committee member
JA Davids	Committee member
L de Villiers	Committee member
AR Frazenburg	Committee member
DA Hendrickse	Committee member
S Jooste (Ms)	Committee member
DD Joubert	Committee member
LX Mdemka (Ms)	Committee member
N Ntsunguzi (Ms)	Committee member

Table 29: Planning, IHS and Property Management Portfolio Committee 2011/12

Meeting dates	Number of reports submitted
2 August 2011	13
6 September 2011	09
4 October 2011	05
1 November 2011	08
5 December 2011	06
31 January 2012	02
6 March 2012	10
3 April 2012	07
6 May 2012	05
5 June 2012	11

Table 30: Planning, IHS and Property Management Portfolio Committee 2011/12 meeting dates

ENGINEERING SERVICES PORTFOLIO COMMITTEE:

Name of member	Capacity
PW Biscombe	Portfolio Chairperson
D Arends	Committee Member
NM August	Committee Member
DC Botha	Committee Member
AR Frazenburg	Committee Member
N Gcaza (Ms)	Committee Member
MC Johnson	Committee Member
EL Maree (Ms)	Committee Member
MM Ngcofe	Committee Member
WJ Pretorius	Committee Member
L Ronoti	Committee Member
LL Stander	Committee Member
M Wanana	Committee Member

Table 31: Engineering Services Portfolio Committee 2011/12

Meeting dates	Number of reports submitted
3 August 2011	04
7 September 2011	02
5 October 2011	08
2 November 2011	04
6 December 2011	06
1 February 2012	03
7 March 2012	05
4 April 2012	04
7 May 2012	05
6 June 2012	05

*Table 32: Engineering Services Portfolio Committee 2011/12 meeting dates***FINANCE AND STRATEGIC AND CORPORATE SERVICES PORTFOLIO COMMITTEE:**

Name of member	Capacity
PJ Venter	Portfolio Chairperson
SJ Louw	Portfolio Chairperson
PJ Retief	Portfolio Chairperson
F Adams	Committee Member
HC Bergstedt (Ms)	Committee Member
L de Villiers	Committee Member
JSA Fourie	Committee Member

Name of member	Capacity
DA Hendrickse	Committee Member
MC Johnson	Committee Member
M Mananga-Gugushe (Ms)	Committee Member
NE McOmbring (Ms)	Committee Member
RS Nalumango (Ms)	Committee Member
LN Siwakamisa (Ms)	Committee Member

Table 33: Finance and Strategic and Corporate Services Portfolio Committee

Meeting dates	Number of reports
11 August 2011	14
20 September 2011	06
11 October 2011	08
8 November 2011	07
7 December 2011	08
7 February 2012	05
10 April 2012	07
8 May 2012	06
12 June 2012	10

Table 34: Finance and Strategic and Corporate Services Portfolio Committee meeting dates

COMMUNITY SERVICES AND PUBLIC SAFETY PORTFOLIO COMMITTEE:

Name of member	Capacity
N Jindela	Portfolio Chairperson
JP Serdyn (Ms)	Portfolio Chairperson
Q Smit	Portfolio Chairperson
DS Arends	Committee member
A Crombie (Ms)	Committee member
JA Davids	Committee member
R du Toit (Ms)	Committee member
JK Hendriks	Committee member
MC Johnson	Committee member
C Moses (Ms)	Committee member
KE Qotywa	Committee member
P Sitshoti (Ms)	Committee member
LL Stander	Committee member

Table 35: Community Services and Public Safety Portfolio Committee

Meeting dates	Number of reports
12 August 2011	14

Meeting dates	Number of reports
14 September 2011	06
12 October 2011	08
8 November 2011	07
7 December 2011	08
7 February 2012	05
10 April 2012	07
8 May 2012	06
12 June 2012	10

Table 36: Community Services and Public Safety Portfolio Committee meeting dates

2.2 ADMINISTRATIVE GOVERNANCE STRUCTURE

The Municipal Manager is the Chief Accounting Officer of the Municipality. **She** is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. **She** is assisted by his direct reports, which constitutes the Management Team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Luzuko Mdunyelwa	Director: Strategic and Corporate Services:	Yes
Basil Davidson	Director: Planning and Economic Development	Yes
Lester van Stavel	Acting Director: Human Settlements and Property Management	No
Mark Bolton	Chief Financial Officer	Yes
Patrick Oliver	Director: Community and Protection Services	Yes
Andre van Niekerk	Director: Engineering Services	Yes

Table 37: Administrative Governance Structure

COMPONENT B: PUBLIC ACCOUNTABILITY

MSA S15 (b): requires a municipality to establish and organize its administration to facilitate and a culture of accountability amongst its staff. S16 (i): states that a municipality must develop a system of municipal governance that compliments formal representative governance with a system of participatory governance. S18 (i) (d): requires a municipality to supply its community with information concerning municipal governance, management and development.

Such participation is required in terms of:

- the preparation, implementation and review of the IDP;
- establishment, implementation and review of the performance management system;
- monitoring and review of the performance, including the outcomes and impact of such performance; and
- Preparation of the municipal budget.

2.3 INTERGOVERNMENTAL RELATIONS

Stellenbosch Municipality has an international city link with Dilbeek Municipality in Belgium with a focus on youth development. Currently in the middle of a three year strategic agreement (2011-2013) focussing on the following development areas: Holiday programmes and after school activities, establishment of a youth centre, arts and culture programmes, prevention services and aiming towards a skills development intervention. Currently the agreement is between local governments, but we are also working towards a federal programme where Stellenbosch will have an agreement with the Federal Government of Belgium through VVSG (Belgian equivalent of SALGA). Benefits from this programme include the following:

- A financial contribution from Belgium to the sum of € 10 000
- Exchange of knowledge and information on youth development
- Structured youth development services from a youth centre with involvement of youth and other NGO partners
- Peer learning with other Southern partner municipalities also involved in a Belgian city links through South-South exchanges

Placement of third year social work students for four months of the year for their practical orientation from Artevelde Hogeschool in Gent.

2.4 PUBLIC MEETINGS

2.4.1 REPRESENTATIVE FORUMS

A) LABOUR FORUMS

The table below specifies the members of the Labour forum for the 2011/12 financial year:

Name of representative	Capacity	Meeting dates
Ms EL Maree	Councillor	24 August 2011 26 September 2011 13 October 2011 24 November 2011 26 January 2012 22 March 2012 26 April 2012 30 May 2012
J Davids	Councillor	
Ms S Louw	Councillor	
L Stander	Councillor	
Ms P Sitshoti	Councillor	
J Hendricks	Councillor	
L Mdunyelwa	Director: Strategic and Corporate Services	
A van Niekerk	Director: Engineering Services	
P Oliver	Director: Community and Protection Services	
M Bolton	Chief Financial Services	
Ms M Zimri	Acting HR Manager	
J Brown	SAMWU Representatives	
J Erasmus	SAMWU Representatives	
S Fortuin	SAMWU Representatives	

Name of representative	Capacity	Meeting dates
L Jansen	SAMWU Representatives	
B Kiva	SAMWU Representatives	
P Solomons	SAMWU Representatives	
S Dyidi	IMATU Representatives	
B Fourie	IMATU Representatives	
Ms S Matthee	IMATU Representatives	

Table 38: Labour Forum

2.4.2 WARD COMMITTEES

The Local Government: Municipal Systems Act (2000) states that: A municipality through appropriate mechanisms, processes and procedures established in terms of Chapter 4, must involve the local community in the development, implementation and review of the municipality's performance management system, and, in particular, allow the community to participate in the setting of appropriate key performance indicators and performance targets for the municipality. [Section 42].

The objective of a ward committee is to enhance participatory democracy in local government. Ward committees are a part of local governance and an important way of achieving the aims of local governance and democracy mentioned in the Constitution, 1996.

A general understanding has emerged that a ward committee is an area-based committee whose boundaries coincide with ward boundaries.

Ward committees:

- are made up of representatives of a particular ward
- are made up of members who represent various interests within the ward
- ward committees are chaired by the ward councillor
- are meant to be an institutionalised channel of communication and interaction between communities and municipalities
- give the community members the opportunity to express their needs, their opinions on issues that affect their lives and to have them heard at the municipal level via the ward councillor
- are advisory bodies created within the sphere of civil society to assist the ward councillor in carrying out his or her mandate in the most democratic manner possible

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

Ward 1: Franschhoek Town, Bo-hoek Farms, Groendal & Mooiwater

Name of representative	Capacity representing	Number of meetings held during the year
Stanley de Wet	Business	4
Dennis van der Berg	Civic	
Siegfried Schafer	Heritage and Environment	
Magareth Boyce	Faith Based	

Table 39: Ward 1 Committee Meetings
Ward 2: Langrug, La Motte, Dennegeur

Name of representative	Capacity representing	Number of meetings held during the year
Nimrod Baqiweyo	Business	7
Nobathembu Fata	Safety	
Frederick Simons	Welfare	
Ncumisa Evlina	Youth	
Sonwabile Bokwe	Disable	
Simphiwe Nomnqa	Community Base	
Minnie Pietersen	Education	
Jefrey Tomson	Sport	
Nosapho Evelyn Sinxutu	Woman	

Table 40: Ward 2 Committee Meetings
Ward 3: Wemmershoek/Lynquedoc/ Meerlust

Name of representative	Capacity representing	Number of meetings held during the year
Lydia Malan	Geographical	6
Rodney Bezuidenhout	Geographical	
Shaun Laksman	Geographical	
Louis Cloete	Geographical	
Marion Adams	Geographical	
Constance Stuurman	Geographical	
Eldridith Kleinsmith	Geographical	
Thelma Vikilahle	Geographical	

Table 41: Ward 3 Committee Meetings
Ward 4: Pniel/Kylemore/Johannesdal

Name of representative	Capacity representing	Number of meetings held during the year
Josef Adams	Business	4
Mashiela Cupido	Health and Welfare	
Jonathan Hanekom	Youth	
Bernard Levac	Farm Workers	

Name of representative	Capacity representing	Number of meetings held during the year
Carol Overberg	Community Safety	
Aleanor Petersen	Education	
Grechard Petersen	Heritage	
Brian Smith	Sport	
Pauline Van Wyk	Religion	
Lorraine Williams	Rate Payers & Civic Org.	

Table 42: Ward 4 Committee Meetings

Ward 5: The Ridge/ Lindida/Idasvalley (Hydro into the direction of Idasvalley & Omega Street to Jonkershoek)

Name of representative	Capacity representing	Number of meetings held during the year
Pieter Johnson	Geographical	7
Adam Peterse	Geographical	
Harold Joseph	Geographical	
Martina Pohl	Geographical	
Jeffrey Thompson	Geographical	
Kerneels Marais	Geographical	
Tessa Baardtman	Geographical	
Nozipho Dalasile	Geographical	
Manfred Josephs	Geographical	
Norman Rhode	Geographical	

Table 43: Ward 5 Committee Meetings

Ward 6: Idas Valley & Farms (Nootvoorbij, Timberlea, Morgenhoff/Remhooghte, Muratie/Groenhof/Delheim/Lievland/Kanonkop/Uitkyk/Glenelly/ emerle/Laundry/ Peckham / Laveneer)

Name of representative	Capacity representing	Number of meetings held during the year
Menthor Adendorff	Idas valley: Portfolio: Tourism	8
George August	Idas valley: Portfolio: Youth	
Rhodes Bunting	Idas valley: Portfolio: Sport	
Johannes Brandt	Idas valley: Portfolio: Environment	
Patricia Constable	Timberlea: Portfolio: Rural Areas	
Jerome Thomas	Kanonkop: Portfolio: Safety	

Table 44: Ward 6 Committee Meetings

Ward 7: Mosterdsdrif/Kolonieshof/Karindal/Rozendal/Uniepark/Simonswyk/Universiteits Oord/De Weides)

Name of representative	Capacity representing	Number of meetings held during the year
Pieter Claassen	Geographical	5
Peter Hill	Geographical	
Renaldo de Jager	Geographical	
Louis Kriel	Geographical	

Name of representative	Capacity representing	Number of meetings held during the year
Pierre du Toit	Geographical	
G. Groenewald	Geographical	
Hans Hugo	Geographical	

Table 45: Ward 7 Committee Meetings

Ward 8: Stellenbosch Central

No ward committee

Ward 9: Stellenbosch Central

No ward committee

Ward 10: Tenantville/La Coline

Name of representative	Capacity representing	Number of meetings held during the year
Frikkie Stal	Geographical	5
William Sukers	Geographical	
Karel Wagenaar	Geographical	
Glen Daniels	Geographical	
Linda Siebritz	Geographical	
Serena Stephanus	Geographical	

Table 46: Ward 10 Committee Meetings

Ward 11: Onder Papagaai Berg

Name of representative	Capacity representing	Number of meetings held during the year
Izak Fourie	Geographical	5
Neil Kroese	Geographical	
Delila Cupido	Geographical	
Adri Van Zyl	Geographical	
Rina Van Niekerk	Geographical	
Gregory Peck	Geographical	
Jeannaret Momberg	Geographical	

Table 47: Table 27: Ward 11 Committee Meetings

Ward 12: Kayamandi

Name of representative	Capacity representing	Number of meetings held during the year
Thamsanqa Ndabeni	Faith Based	9
Qobolakhe Botha	Health & Welfare	
Siyamcela Alecks Banzana	Sport & Recreation	
Cingikhaya Buyani	Community Safety	
Phatiswa Genge	Youth	

Name of representative	Capacity representing	Number of meetings held during the year
Nanipha Tsomo	Women	
Mnoneleli Bululu	Civic	
Leonard Madevu	Farm workers	

Table 48: Ward 12 Committee Meetings

Ward 13: Kayamandi

Name of representative	Capacity representing	Number of meetings held during the year
Bonilizwe Goniwe	Community Based	9
Mmkelo Ngcamu	Faith Based	
Ntombise Nojoko	Youth	
Gertram Pietersen	Community safety	
Maria King	Women	
Ntombezanele Martha Xegwana	Health & Welfare	
Luvuyo Ousman Zibi	Business	
Lizo Batyi	Sport	

Table 49: Ward 13 Committee Meetings

Ward 14: Kayamandi

Name of representative	Capacity representing	Number of meetings held during the year
Sipho Rataza	Youth	7
Monica Nxiba	Education	
Stella Sepula	Senior Citizens	
Nozuko Finini	Women	
Simphiwe Mkiva	Rate Payers & Civic Org	
Bonishwa Sidesha	Community Safety	
Mongezi Hermanus	Sport	
Solly Siwakamisa	Faith Based	
Mary Nkopane	Business	
Pumla Vani	Health & Welfare	

Table 50: Ward 14 Committee Meetings

Ward 15: Kayamandi

Name of representative	Capacity representing	Number of meetings held during the year
Nosibulele Sinkinya		7
Thokozani Lephema	Education	
Mcebisi Mqudu	Sport	
Samson Setona	Health	
Phakamisa Masimini	Faith Based	
Themba Ntshaba	Community Safety	

Name of representative	Capacity representing	Number of meetings held during the year
Letitia Mpotololo	Women	
Nonzukiso Dlaku	Youth	
Ncedazi Sibeko	Business	
Thobisaba Rhesa	Health	

Table 51: Ward 15 Committee Meetings
Ward 16: Cloeteville

Name of representative	Capacity representing	Number of meetings held during the year
Magdalene Blankenberg	Women	7
Aubrey Pietersen	Ratepayers & Civic Association	
Lawrence Seals	Health & Welfare	
Wynanda Jacobs	Education	
Margaret Moffat	Business	
Jerome Williams	Community Safety	
Eugene Gordon	Sport Art & Culture	

Table 52: Ward 16 Committee Meetings
Ward 17: Cloeteville/Welgevonden

Name of representative	Capacity representing	Number of meetings held during the year
Bonita Klaasen	Women	7
Danvil Brown	Sport Art & Culture	
Andrew Adams	Religion	
Sarina Fredericks	Informal Trading	
Katie Joseph	Community Safety	
Doreen Smith	Ratepayers & Civic Association	
Joseph Joon	Education	
L Loggenberg	Transport	
Amelia Fortuin	Health & Welfare	
Andrea Jacobs	Youth	

Table 53: Ward 17 Committee Meetings
Ward 18: Klapmuts and Surrounding farms

Name of representative	Capacity representing	Number of meetings held during the year
Malibongwe Gebhu	Youth	5
Lenard Chelesi	Safety & Security	
Sarah Swarts	Farms	
Margaret Wagenaar	Women	
Fiela Pienaar	Education	
Mathuis Everts	Safety & Security	

Name of representative	Capacity representing	Number of meetings held during the year
Japie Engelbrecht	Religion	
Julian Kleinsmith	Health	
Gordon Wentzel	Business	
Anthony Jacobs	Sports	

Table 54: Ward 18 Committee Meetings
Ward 19: Elsenburg/De Nova

Name of representative	Capacity representing	Number of meetings held during the year
Johannes Andrews	Geographical	8
Henry Carolius	Geographical	
R Opperman	Geographical	
Jocelyn Cloete	Geographical	
Wayne Meyer	Geographical	
Clive Van Ster	Geographical	
Belinda Rank	Geographical	
Natalie Roberts	Geographical	
Abraham Kamfer	Geographical	

Table 55: Ward 19 Committee Meetings
Ward 20: Vlottenburg/Raithby/Lynedoch to Meerlust/ Eikendal/Mooiberge/Faure

Name of representative	Capacity representing	Number of meetings held during the year
Owen Charles Gordon	Safety & Security	8
Jakobus Hendricks	Agriculture	
Johann Myburgh	Youth	
Elenora Solomons	Faith Base	
Pieter Taaibosch	Women	
Moir Daniels	Sport	
Pauline Malgas	Tourism	
Nicolaas J Myburgh	Agriculture	

Table 56: Ward 20 Committee Meetings
Ward 21: Jamestown/Paradyskloof/De Zalze//Techno Park/ Blaauwklippen / Surrounding farms

Name of representative	Capacity representing	Number of meetings held during the year
Oldrin Meyer	Jamestown	6
Ferdie Heymann	Jamestown	
Wilma Dobie	Paradyskloof	
Lydia De Waal	Jamestown	
Audrey Adonis	Jamestown	
Alfred Christians	Jamestown	

Name of representative	Capacity representing	Number of meetings held during the year
Ulinda McDonald	Jamestown	
Eduard Delport	Paradyskloof	

Table 57: Ward 21 Committee Meetings

Ward 22: Die Boord/Dalsig

Name of representative	Capacity representing	Number of meetings held during the year
Bertie Van Wyk	Community Safety	5
Matilda Hayes	Tourism	
Lee-Anne Lemmer	Women / Senior Citizens	
Andy Marren	Sport & Recreation	
Johan Slabber	Youth	
Francois V.D. Berg	Rate Payers	
Esther Groenewald	Legal & Education	
D P Van Velden	Health & Welfare	
Pieter Schaafsma	Heritage and Environment	
Hercules Frederick Van der Walt	Business	

Table 58: Ward 22 Committee Meetings

2.4.3 FUNCTIONALITY OF WARD COMMITTEE

The purpose of a ward committee is:

- to get better participation from the community to inform council decisions;
- to make sure that there is more effective communication between the council and the community; and
- to assist the ward councillor with consultation and report-backs to the community.

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward Councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward Councillor who makes specific submissions directly to the Council. These committees play a very important role in the development and annual revision of the integrated development plan of the area.

Vacancies which existed were advertised, calling for nominations and filled. Council resolved that submission of nominations be extended indefinitely to allow submissions to be accepted on an on-going basis, and such submissions to be submitted to Council on a quarterly basis.

Transport is provided, where necessary, to ward committee members to attend Ward Committee meetings and functions where public participation, through the Ward Committee system is required.

Venues have been established for the Ward meetings, and support personnel, through the Ward Administrators (Community Liaison Officers and Community Development Workers have been put availed to them.

A stipend of R500 every second month has been approved for all ward committee members, provided that they attend at least one ward committee meeting per month as part of their participatory functions as ward committee members.

The table below provides information on the establishment of Ward Committees and their functionality:

Ward Number	Committee established	Number of reports submitted to the Speakers/IDP Office	Number meetings held during the year	Committee functioning effectively
	Yes / No			Yes / No
1	Yes	5	4	Yes
2	Yes	8	7	Yes
3	Yes	7	6	Yes
4	Yes	5	4	Yes
5	Yes	8	7	Yes
6	Yes	9	8	Yes
7	Yes	6	5	Yes
8	Yes	1	1	Yes
9	No	0	0	No
10	Yes	6	5	Yes
11	Yes	6	5	Yes
12	Yes	10	9	Yes
13	Yes	10	9	Yes
14	Yes	8	7	Yes
15	Yes	8	7	Yes
16	Yes	8	7	Yes
17	Yes	8	7	Yes
18	Yes	6	5	Yes
19	Yes	9	8	Yes
20	Yes	9	8	Yes
21	Yes	7	6	Yes
22	Yes	6	5	Yes

Table 59: Functioning of Ward Committees

COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

2.5 RISK MANAGEMENT

Section 62 of the Municipal Finance Management Act (MFMA), no. 56 of 2003 that the Accounting Officer should take all reasonable steps to ensure that the municipality has and maintains effective, efficient and transparent systems of financial and **risk management** and internal control as well as the effective, efficient and economical use of the resources of the municipality.

The internal audit activity was tasked to temporarily oversee the risk management process in terms of the following as prescribed by NT Public Sector Risk Management Framework:

“(5) In case where the Internal Auditor assumes the role of the Chief Risk Officer, his/her risk management responsibilities include:

- (a) assisting Management to develop the risk management policy, strategy and implementation plan;*
 - (b) co-ordinating risk management activities;*
 - (c) facilitating identification and assessment of risks;*
 - (d) recommending risk responses to Management; and*
 - (e) developing and disseminating risk reports.*
- (6) When assisting Management in establishing or improving risk management processes, Internal Auditing must refrain from assuming management responsibilities for risk management.”*

This however, may impair the objectivity and independence of the internal audit activity and the inability to advise the audit committee and accounting officer on matters pertaining to risk management as required in terms of section 165 (2)(b).

No budgetary provision has been made in prior financial years for the appointment of a designated Enterprise Risk Management official overseeing strategic, financial, operational, fraud, legal and/or compliance risks.

The Internal Audit Activity outsourced the risk management function for the first half of the year to an external service provider. The Chief Risk Officer were appointed and tasked with the following responsibilities as per the Public Sector Risk Management Framework under section 29(5):

- (a) assisting Management to develop the risk management policy, strategy and implementation plan;
- (b) co-ordinating risk management activities;
- (c) facilitating identification and assessment of risks;
- (d) recommending risk responses to Management; and
- (e) developing and disseminating risk reports.

Although the Chief Risk Officer was responsible for the above, management took ownership of risks and the mitigation thereof.

2.6 ANTI-CORRUPTION AND ANTI-FRAUD

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1) (m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that

the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

A) DEVELOPED STRATEGIES

Name of strategy	Developed Yes/No	Date Adopted/Reviewed
Anti-corruption Strategy	Yes	November 2010

Table 60: Strategies: Anti-corruption and Anti-fraud

Structural strategies according to the Fraud Prevention Strategy include the establishment of a Fraud Response Committee which oversee the Municipality approach to fraud prevention, fraud detection strategies and response to fraud and corruption incidents reported by employees or other external parties. Such a Committee has been established.

The following are some of the operational, preventative, detection, response and maintenance strategies identified in the Fraud Prevention Strategy with an indication of the progress in this regard:

B) IMPLEMENTATION OF STRATEGIES

Strategies to implement	Key measures to curb corruption and fraud
Creating Awareness	Awareness sessions with municipal employees thru presentations
Monitoring Fraud and Corruption	Fraud Response Committee meetings to monitor and make recommendations
Communication	Booklets Posters at various places in the municipality

Table 61: Implementation of the Anti-corruption and Anti-fraud Strategies

2.7 AUDIT COMMITTEE/S

The Municipality Audit Committee, appointed in terms of Section 166 of the MFMA, has also been appointed as the Performance Audit Committee.

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must –

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- internal financial control and internal audit;
- risk management;
- accounting policies;
- the adequacy, reliability and accuracy of financial reporting information;
- performance management;
- effective governance;

- compliance with this Act, the annual Division of Revenue Act and any other applicable legislation;
- performance evaluation; and
- any other issues referred to it by the municipality

2.7.1 FUNCTIONS OF THE AUDIT COMMITTEE

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 which is further supplemented by the Local Government Municipal and Performance Management Regulation as well as the approved Audit Committee charter:

- To advise the Council on all matters related to compliance and effective governance.
- To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- Respond to the council on any issues raised by the Auditor-General in the audit report.
- To carry out such investigations into the financial affairs of the municipality as the council may request.
- perform such other functions as may be prescribed.
- To review the quarterly reports submitted to it by the internal audit.
- To evaluate audit reports pertaining to financial, administrative and technical systems.
- To review the performance management system and make recommendations in this regard to Council.
- To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- Provide support to the Internal Audit function.
- Ensure that no restrictions or limitations are placed on the Internal Audit section.
- Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.

2.7.2 MEMBERS OF THE AUDIT COMMITTEE

Name of representative	Capacity	Meeting dates
John Minnaar	Chairperson	29 August 2011
Linda Nene	Member	05 December 2011
Henry Isaacs	Member	13 January 2012
Ruthaleen Davidse	Member	10 April 2012
Maryke Van Wyk	Member	28 May 2012
		21 June 2012

Table 62: Members of the Audit Committee

2.7.3 MUNICIPAL AUDIT COMMITTEE RECOMMENDATIONS

A formal report was submitted to Council for notification for the period under review on recommendations for implementation to address control weaknesses; the Audit Committee regularly follow up with Internal Audit and Management on state of corrective action implemented. Furthermore, the Audit Committee also have sight of various internal and external reports and providing comments where necessary. Council noted the Audit Committee's concerns but did not formally recommend any control weakness improvements as this was addressed via Internal Audit reports to the Municipal Manager and respective directors. Recommendations of the Audit Committee are outlined in the minutes of the meetings held for the period under review.

2.8 PERFORMANCE AUDIT COMMITTEE

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

In terms of Section 166(4) (a) of the MFMA, an audit committee must consist of at least three persons with appropriate experience, of who the majority may not be in the employ of the municipality.

Section 166(5) of the MFMA, requires that the members of an audit committee must be appointed by the council of the municipality. One of the members, not in the employ of the municipality, must be appointed as the chairperson of the committee. No councillor may be a member of an audit committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

Stellenbosch Municipality's Audit Committee serves a dual role and also performs the role of the performance audit committee.

2.8.1 FUNCTIONS OF THE PERFORMANCE AUDIT COMMITTEE

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and

- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

2.8.2 MEMBERS OF THE PERFORMANCE AUDIT COMMITTEE

Name of Member	Capacity	Meeting dates
John Minnaar	Chairperson	29 August 2011
Linda Nene	Member	05 December 2011
Henry Isaacs	Member	13 January 2012
Ruthaleen Davidse	Member	10 April 2012
Maryke van Wyk	Member	28 May 2012
		21 June 2012

Table 63: Members of the Performance Audit Committee

2.9 INTERNAL AUDITING

Section 165 (2) (a), (b) and (c) of the MFMA requires that:

The internal audit unit of a municipality must –

- (a) prepare a risk based audit plan and an internal audit program for each financial year; and
- (b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to:
 - (i) Internal audit;
 - (ii) internal controls;
 - (iii) accounting procedures and practices;
 - (iv) risk and risk management;
 - (v) performance management;
 - (vi) loss control; and
 - (vii) compliance with this Act, the annual Division of Revenue Act and another applicable legislation; and
- (c) perform such other duties as may be assigned to it by the accounting officer.

Stellenbosch Municipality's Internal Audit function comprised of in-house staff and a co-source agreement with PwC for the period under review. The main focus areas were compliance to applicable laws, regulations, policies and procedures which resulted in both assurances as well as consulting work. During the year under review the internal audit activity were able effectively execute 100% of the initial adopted risk based audit plan.

In addition, process flowcharts for all identified audit areas has been documented highlighting key controls and/or control gaps for process owners/line managers to consider and implement.

It must be appreciated that further work performed with the follow-up of previously reported matters of internal audit relating to the previous financial year. During these reviews it was noted that action plans has been put in place to address control weaknesses, however, focussed approach to other matters will mitigate adverse outcomes in the future.

Risk register and three-year strategic plan

A risk assessment was performed during June/July 2011 and all relevant risks were populated into a new Risk Register for the municipality. This Risk Assessment forms the basis of the 2011/12 financial year's Risk Based Audit Plan. A new risk assessment was done during August 2012 which Internal Audit used to compile the new 3-year strategic plan for the periods 2012-2015 and the Combined Assurance Model for Stellenbosch Municipality.

The results of the 3-year strategic internal audit plan are included below:

Audit Activity	2010/11 (Revised)	2011/12	2012/13
Income & Debtors (Application to Cash & credit risk)	-	-	√
Supply Chain Management	√	√	√
Human Resources (Including Leave and Training)	-	√	√
Asset Management	-	-	√
General Ledger & Budgets	-	-	-
Treasury: Cash Management (Refer to order to cash and MFMA compliance)	-	-	√
Treasury: Investments	-	-	-
Inventory	-	√	-
Statutory Audits*			
MFMA compliance (Including other relevant Acts)	√	√	√
DORA compliance	-	-	√
Performance Management System	√	√	√
Risk Management review	√	√	√
Additional audits after 2010 Risk Assessment			
Traffic Services	-	√	-
Law Enforcement	-	√	-
Infrastructure Maintenance	√		√
Building Control	-	√	-
Integrated Development Planning	-	-	-
Disaster Management	√	-	-
Fleet Management	√	-	-
Communication	√	-	-
Occupational Health and Safety	-	-	√
Records management	√	-	-
Facilities management	√	-	-
Audits brought forward from 2010/2011			
Governance Review	√	√	√
ITGC	√	√	√

Table 64: Three year strategic internal audit plan

Annual Risk Based Audit Plan

The Risk Based Audit Plan for 2011/12 was implemented with available resources. The table below provides detail on audits completed:

Audit Activity	Hours	Timing
Governance Review	136	March 2012 - April 2012
Performance Management	720	Quarterly
Supply Chain Management	720	April 2012 – June 2012
Traffic Services	680	August 2011 – March 2012
Law Enforcement	664	November 2011 – April 2012
Building Development and Administration	560	November 2011 – April 2012
Leave and Overtime	504	March 2012 – June 2012
Collaborator	286	May 2012 – June 2012
Follow up (2010/11 findings)	584	January 2012 – May 2012
Total	4854	

Table 65: Annual risk based audit plan

2.10 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy was revised and adopted by Council in May of 2011 for the 2011/2012 financial year, as **APPENDIX 6** of the budget related policies, in terms of section 17 (1) – (3) of the MFMA (Act 56 of 2003).

The Supply Chain Management Policy was again revised and adopted by Council in December 2011 to cater for the legislative and statutory amendments brought about by the newly Preferential Procurement Regulations (PPR) of 2011, promulgated on the 08th of June 2011, with an effective date of **07December 2011**.

The Supply Chain Management Policy applicable for the 2012/2013 financial year was recently revised and adopted by Council on the 31th of May 2012, as **APPENDIX 8** of the budget related policies in terms of section 17 (1) – (3) of the MFMA (Act 56 of 2003).

The Supply Chain Management Policy was reviewed with a view of ensuring seamless processes and to incorporate the recommendations raised in audit findings during the 2010/2011 regulatory audit. The changes alluded to above, will ensure that the Supply Chain Management Unit (SCMU) has the required legislative mandate to further streamline procedures and processes in order to promote more efficient and effective service delivery to all our internal and external stakeholders.

2.10.1 COMPETITIVE BIDS IN EXCESS OF R200 000

2.10.1 BID COMMITTEE MEETINGS

The following table details the number of bid committee meetings held for the 2011/2012 financial year:

Bid Specification Committee	Bid Evaluation Committee	Bid Adjudication Committee
32	19	19

Table 66: Bid Committee Meetings

The attendance figures of members of the bid specification committee are as follows:

Member	Attendance
Supply Chain Management Representative	100%
Relevant technical expert responsible for a function	100%

Table 67: Attendance of members of bid specification committee

The attendance figures of members of the bid evaluation committee are as follows:

Member	Attendance
Senior Accountant: SCM or SCM Practitioner	100%
Head: Supply Chain Management (Chairperson)	100%
Relevant technical expert responsible for a function	100%

Table 68: Attendance of members of bid evaluation committee

The attendance figures of members of the bid adjudication committee are as follows:

Member	Percentage attendance
Director Financial Services (Chairperson)	100%
Director Planning and Development	100%
Director Engineering Services	100%
Director Public Safety and Community Services	100%
Director Strategic and Corporate Services	100%

Table 69: Attendance of members of bid adjudication committee

The percentages as indicated above include the attendance of those officials acting in the position of a bid committee member and/or chairperson.

2.10.2 AWARDS MADE BY THE BID ADJUDICATION COMMITTEE

The bid adjudication committee awarded 49 bids with an estimated value of R 179 517 521.81 excluding annual tenders awarded on the basis of approving rates.

The ten highest bids awarded by the bid adjudication committee are as follows:

Bid number	Title of bid	Directorate and section	Successful Bidder	Value of bid awarded
Variation Order BSM 172/08	Increase in the appointed amount B/SM 172/08: Provision of multi-disciplinary consultancy service for the extension of Wemmershoek Waste Water Treatment Works and associated transfer outfall sewer from Franschhoek to Wemmershoek.	Engineering Directorate	SSI	R 7 403 682.12
B/SM 363/11	Supply and installation of security Fencing at the Stellenbosch Waste Water Treatment Works.	Engineering Directorate	Gordian Fence SA	R 5 210 447.71
B/SM 08/12	Upgrading of the water treatment works at Paradyskloof: Mechanical and Engineering Works.	Engineering Directorate	Quality Filtration Systems	R 4 429 264.36
B/SM 08/12	Upgrading of the water treatment works at Paradyskloof: Mechanical and Engineering Works.	Engineering Directorate	Quality Filtration Systems	R 4 429 264.36
B/SM 03/12	Qualified valuers for the compilation of maintenance of the valuation roll and supplementary rolls for WC024.	Finance Directorate	Hendri Badenhorst	R 3 745 338.20
B/SM 18/12	Professional team to acquire authorisations and approvals for integrated residential development projects on public land at La Motte.	Finance Directorate	CK Rumboll and Partners	R 1 296 159.68
B/SM 26/12	Painting of flats A-I in Lang and Kloof Street, Cloetessville	Planning and Development Directorate	PDFH Construction	R 1 025 775.85
B/SM 50/12	SAN Replacement	Finance Directorate	Storage Technology Services	R 988 701.40
B/SM 28/12	Staircases Cloetessville Flats	Planning and Development Directorate	FK Maintenance Services	R 932 163.41
B/SM 364/11	Maintenance and operation of communal ablution facilities at Franschoek informal settlement	Engineering Directorate	Phola-Ka-Hola	R 807 175.80

Table 70: Ten highest bids awarded by bid adjudication committee

2.10.3 AWARDS MADE BY THE ACCOUNTING OFFICER

In terms of paragraph 2.4 of Council's Supply Chain Management policy, only the Accounting Officer may award a bid which in excess of R 10 million. The power to make such an award may not be sub-delegated by the Accounting Officer. The bids awarded by the Accounting Officer are as follows:

Bid number	Title of bid	Directorate and section	Value of bid awarded
B/SM 337/11 Successful Bidder: CSV Construction	Extension of Wemmershoek waste water treatment works and associated pipelines (Civil and Building Work)	Engineering Directorate	R 43 126 590.62
B/SM 32/12 Successful Bidder: Power Construction	Turn-Key Developer for Subsidy Residential Development of Watergang Phase IV in Kayamandi	Planning and Development Directorate	R 28 338 342.96
B/SM 343/11 Successful Bidder: Bateman Africa	Design, installation, commissioning and performance testing of the mechanical, electrical and instrumentation equipment for the extension of the Wemmershoek waste water treatment works.	Engineering Directorate	R 25 332 367.91
B/SM 365/11 Successful Bidder: Inenzo Water	Mechanical, Electrical and Civil Works for the Refurbishment of Stellenbosch WWTW	Engineering Directorate	R 24 459 112.20
B/SM 15/12 Successful Bidder: Burger and Wallace Construction	Construction of Cell 3 at the Stellenbosch landfill site	Engineering Directorate	R 18 318 824.16

Table 71: Awards made by Accounting Officer

2.10.4 OBJECTIONS LODGED BY AGGRIEVED BIDDERS

Only 1 objection was lodged by an aggrieved bidder on awards made, in terms of section 49 of the Municipal Supply Chain Management Regulations. The matter was subsequently referred back to the Bid Adjudication Committee and outstanding information was requested, in order to put the committee members in a position to apply their minds as envisaged by the principles enshrined in Section 217 of the Constitution (fairness, competitiveness, transparent, equitable and cost-effective).

2.10.2 FORMAL QUOTATIONS (ABOVE R 30 000 AND BELOW R 200 000) PROCUREMENT PROCESSES

The number of formal quotations approved by the Head: Supply Chain Management for the year under review follows:

Description	Financial Years			Increase / Decrease	Increase / Decrease
	2011/2012	2010/2011	2009/2010	2010/2011 – 2011/2012	2009/2010 – 2010/2011
Number of Awarded Formal Quotations	194	201	166	-3.48%	+21.08%
Total Formal Quotations Advertised	308	299	272	+3.01%	+9.93%
Total	62.99	67.22	61.02	-4.23%	+6.20%

Table 72: Formal Quotations (above R 30 000 and below R 200 000)

2.10.3 DEVIATION FROM NORMAL PROCUREMENT PROCESSES

Paragraph 4.36 of Council's Supply Chain Management Policy allows the Accounting Officer to dispense with the official procurement process. The following table indicates the number of certificates of emergency and deviations approved in terms of section 4.36 of the SCM Policy.

Description	Financial Years			Increase / Decrease 2010/2011 – 2011/2012	Increase / Decrease 2009/2010 – 2010/2011
	2011/2012	2010/2011	2009/2010		
<u>Certificate of Emergencies:</u> Approved by the Directors i.t.o. Section 4.36.4 of the SCM Policy	64	109	185	-41.28%	-41.08%
<u>Deviations:</u> Approved by the Accounting Officer i.t.o. Section 4.36.1 of the SCM Policy	99	130	108	-23.85%	+20.37%
TOTAL	163	239	293	-31.80%	-18.43%

Table 73: Deviation from normal procurement processes

Deviations from the normal procurement processes have been monitored closely to mitigate the risk of abuse associated with such appointments. Monthly reporting in terms of paragraph 4.36 of the SCM policy has been complied with. SCM has identified instances where the normal procurement processes can be followed to avoid having to follow the deviation process. These cases have been taken up with the relevant departments and satisfactory co-operation has been received. Cognisance must be taken of the **declining trend** as depicted in the abovementioned table with regards to instances, where the municipality have dispensed with official procurement processes. This success can be attributed to the following factors:

- Greater understanding of internal procurement processes by the internal stakeholders e.g. Utilization of Annual Tenders, etc.;
- Buy-in from Top Management and ensuring **proper planning** linked to the approved Service Delivery and Budget Implementation Plan (SDBIP).
- Recent Stability within the Top Management and Organisation

It has been noted that **more than 50% of the certificate of emergencies** have incurred within the last 2 months of the 2011/2012 financial year, which leave room for improvement with regard to joint oversight responsibility.

2.10.4 DISPOSAL MANAGEMENT

The system of disposal management envisages ensuring the following:

- immovable property is sold only at market related prices except when the public interest or the plight of the poor demands otherwise;

- movable assets are sold either by way of written price quotations, a competitive bidding process, auction or at market related prices, whichever is the most advantageous;
- Firearms are not sold or donated to any person or institution within or outside the Republic unless approved by the National Conventional Arms Control Committee;
- Immovable property is let at market related rates except when the public e plight of the poor demands otherwise;
- All fees, charges, rates, tariffs, scales of fees or other charges relating to the letting of immovable property are annually reviewed;
- Where assets are traded in for other assets, the highest possible trade-in price is negotiated; and
- In the case of the free disposal of computer equipment, the provincial department of education is first approached to indicate within 30 days whether any of the local schools are interested in the equipment.

We are complying with section 14 of the MFMA which deals with the disposal of capital assets as well as with the Asset Transfer Regulations.

2.10.5 PERFORMANCE MANAGEMENT

The SCM policy requires that an internal monitoring system be established and implemented in order to determine, on the basis of retrospective analysis, whether the SCM processes were followed and whether the objectives of the SCM policy were achieved.

Monitoring of internal processes is an on-going process. Procedure manuals for various SCM processes have been developed approved and are being implemented.

2.11 BY-LAWS AND POLICIES

Section 11 of the MSA gives municipal Councils the executive and legislative authority to pass and implement by-laws and policies.

The following by-laws were revised during the 2011/12:

By-laws developed/revised	Date of adopted/Promulgated and or Number of publication
Outdoor advertising By-law	25 May 2012
Water and Sanitation Bylaw	15 January 2010
Burial Park/Cemetery By-Law (Amended)	4 November 2011
Tree Management Policy (New Draft)	Still in draft
Policy on the Hiring & Use of Municipal Halls & Facilities	11 December 2008
Swimming Pool By-Law (New Draft)	Still in draft
Caravan Park: By-Law	P.N. 209 of 1985
Parks & Public Open Spaces By-Law (New Draft)	Still in draft
Stellenbosch Municipality: By-Law relating to Plantations, Parks, Gardens, Recreation Facilities and Nature Reserves	P.N. 373 of 1998
Control of Certain Transgression in Public Open Spaces: By-Law	P.N. 6011 of 2003

By-laws developed/revised	Date of adopted/Promulgated and or Number of publication
Stellenbosch Transitional Local Council: By-Law relating to the Prevention of Nuisances	Still in draft
Credit Control and Debt Collection By Law	04 March 2011 (Promulgated in the Government Gazette)
Rates By Law	July 2009 (Promulgated in Government Gazette)
Streets By-Law	4 June 2010 (Promulgated in Provincial Gazette 6756)
Water Services By-Law	Adopted by Council 26-02-1998 – Not promulgated yet
Electricity By-Law	17 June 2005
Integrated Waste Management By-Law (Draft)	Still in draft

Table 74: By-laws

Below is a list of all the policies developed and reviewed:

Policies developed/revised	Date adopted	Public Participation Conducted Prior to adoption of policy
		Yes/No
Recruitment and Selection	August 2008	No
Leave Policy Guideline and Procedures	August 2008	No
Overtime and Standby Policy Guidelines and Procedures	August 2008	No
Occupational Health and Safety Policy	August 2008	No, internal policy
HIV AIDS Policy	August 2008	No, internal policy
Guidelines for Official Parking	August 2008	No, internal policy
Staff Attraction and Retention Policy	August 2008	No, internal policy
Smoking Policy	August 2008	No, internal policy
Skills Development Policy	August 2008	No, internal policy
Minimum Service Level Agreement on Essential Services	August 2008	No, internal policy
Attendance and Punctuality Policy	Not applicable	No, internal policy
Cell phone Policy	Not applicable	No, internal policy
Chronic Illness Policy	Not applicable	No, internal policy
Sports Structure Policy	Not applicable	No, internal policy
Education, Training and Development Policy	Not applicable	No, internal policy
Employee Study Aid and Leave Policy	Not applicable	No, internal policy
Housing Scheme Rules Policy	Not applicable	No, internal policy
Incapacity Policy	Not applicable	No, internal policy
Induction Policy	Not applicable	No, internal policy
Nepotism Policy	Not applicable	No, internal policy
Policy on Memorial Services	Not applicable	No, internal policy
Proposed Scares Skills Policy	Not applicable	No, internal policy
Redeployment Policy	Not applicable	No, internal policy

Policies developed/revised	Date adopted	Public Participation Conducted Prior to adoption of policy
		Yes/No
Student and Intern Policy	Not applicable	No, internal policy
Student Assistance Policy	Not applicable	No, internal policy
Substance Abuse Policy	Not applicable	No, internal policy
Succession Planning and Career Path Policy	Not applicable	No, internal policy
Termination of Services Policy	Not applicable	No, internal policy
Travel and Removal Expense Policy	Not applicable	No, internal policy
Uniform and Protective Clothing Policy	Not applicable	No, internal policy
Unpaid Leave Policy	Not applicable	No, internal policy
Use of Official Vehicles Policy	Not applicable	No, internal policy
Whistle Blowing Policy	Not applicable	No, internal policy
Work Related Functions Policy	Not applicable	No, internal policy
Structured Overtime Policy	Not applicable	No, internal policy
Proposed Policy on Imprisoned Employees	Not applicable	No, internal policy
Policy on Employment on a 5/8 Basis	Not applicable	No, internal policy
Roles and responsibilities	25 January 2012	No, internal policy
Delegation of power	25 January 2012	No, internal policy
Virement action Policy	May 2011	Yes
Asset management Policy	May 2008	Yes
Performance Management framework	2011	No, internal policy
Language policy	2011	No, internal policy
Refuse removal after public holidays	2011	No, internal policy
Communication Policy	24 November 2012	No, internal policy
Records Management Policy	5 May 2011	No, internal policy
Property Rates Policy	5 May 2011	Yes
Supply Chain Management Policy	5 May 2011	Yes
Budget Policy	5 May 2011	Yes
Irrecoverable Debt Policy	5 May 2011	Yes
Travel and Subsistence Policy	5 May 2011	Yes
Indigent Policy	5 May 2011	Yes
Tariff Policy	5 May 2011	Yes
Credit Control and Debt Collection Policy	5 May 2011	Yes
Petty Cash Policy	5 May 2011	Yes
Grant In Aid Policy	May 2008	Yes
Development Contribution Policy	5 May 2011	Yes
Accounting Policy	Not applicable	Yes
Cash Management Policy	May 2008	Yes
Funds & Reserve Policy	Not applicable	Yes

Policies developed/revised	Date adopted	Public Participation Conducted Prior to adoption of policy
		Yes/No
Bulk Infrastructure Contribution	2011	Yes
Sidewalks (draft)	2011	No, internal policy
Electricity Services Directive (Draft)	2011	No, internal policy
Integrated Waste Management Plan (Draft)	2011	No, internal policy

Table 75: Policies

2.12 WEBSITE

The municipal website is an integral part of a municipality's communication infrastructure and strategy. It serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance. Section 75 of the MFMA requires that the municipalities place key documents and information on their website, including the IDP, the annual budget, adjustments budgets and budget related documents and policies.

Below is a website checklist to indicate the compliance to Section 75 of the MFMA:

Documents published on the Municipality's / Entity's Website	Yes / No	Publishing Date
Current annual and adjustments budgets and all budget-related documents	Yes	Budget documentation published within legislative timeframes
All current budget-related policies	Yes	1 June 2012
The annual report for 2010/11	Yes	27 Jan 2012 (Draft) 03 April 2012 (Final)
The annual report for 2011/12 to be published	No	To be Published within legislative timeframes
All current performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act for 2011/12 and resulting scorecards	Yes	Published within legislative timeframes
All service delivery agreements for 2011/12	Not applicable	Not applicable
All long-term borrowing contracts for 2011/12	Not applicable	Not applicable
All supply chain management contracts above a prescribed value (give value) for 2011/12	No	None to report in 2011/12
An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14 (2) or (4) during 2011/12	Property Management	Disposal of land
Contracts agreed in Year 1 to which subsection (1) of section 33 apply, subject to subsection (3) of that section	Not applicable	Not applicable
Public-private partnership agreements referred to in section 120 made in 2011/12	Not applicable	Not applicable
All quarterly reports tabled in the council in terms of section 52 (d) during 2011/12	Yes	Published within legislative timeframes

Table 76: Website Checklist

2.13 COMMUNICATION

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

Good customer care is clearly of fundamental importance to any organisation, and analysis here shows that local residents view the municipality's people relations in a negative light. A successful communication strategy therefore links the people to the municipality's programme for the year.

Below is a communication checklist of the compliance to the communication requirements:

Communication activities	Yes/No
Communication unit	Yes
Communication strategy	Yes
Communication policy	Yes
Customer satisfaction surveys	No
Functional complaint management systems	No
Newsletters distributed at least quarterly	No

Table 77: Communication Activities

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

OVERVIEW OF PERFORMANCE WITHIN THE ORGANISATION

Performance management is a process which measures the implementation of the organisation's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organisation and its employees, are met.

The constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of *inter alia*:

- the promotion of efficient, economic and effective use of resources,
- accountable public administration
- to be transparent by providing information,
- to be responsive to the needs of the community,
- and to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the roles of the different role players." Performance management is not only relevant to the organisation as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

LEGISLATIVE REQUIREMENTS

In terms of section 46(1)(a) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with performance in the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

ORGANISATION PERFORMANCE

Strategic performance indicates how well the municipality is meeting its objectives and which policies and processes are working. All government institutions must report on strategic performance to ensure that service delivery is efficient, effective and economical. Municipalities must develop strategic plans and allocate resources for the implementation. The implementation must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the National Key Performance Areas, performance on the National Key Performance Indicators prescribed in terms of section 43 of the Municipal Systems Act, 2000 and an overall summary of performance on a functional level.

ADOPTION OF A PERFORMANCE MANAGEMENT FRAMEWORK

The municipality will adopt a performance management framework in the next financial year.

THE IDP AND THE BUDGET

The IDP and the budget for 2011/12 was reviewed and approved on the 5 May 2011 by Council. The IDP has as its primary aim the reflection of council's vision for long term development by focussing on the critical developmental and transformation needs. It is therefore important to assess the existing level of development as identified within the communities. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP. The IDP process and the performance management process are integrated. The IDP fulfils the planning stage of performance management. Performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

The organisational performance is evaluated by means of a municipal scorecard (Top Layer SDBIP) at organisational level and through the service delivery budget implementation plan (SDBIP) at directorate and departmental levels. These performance objectives as reflected in the municipal scorecard are required to be practical, measurable and based in the key performance indicators.

The SDBIP is a tool that converts the IDP and budget into measurable criteria on how, where and when the strategies, objectives and normal business process of the municipality is implemented.

It also allocates responsibility to directorates to deliver the services in terms of the IDP and budget.

The MFMA Circular No.13 is a clarification of the Municipal Budget and Reporting regulations, Schedule A 1, GenN 393 in GG32141 which prescribes that:

- The IDP and budget must be aligned
- The budget must address the strategic priorities
- The SDBIP should indicate what the municipality is going to do during next 12 months
- The SDBIP should form the basis for measuring the performance against goals set during the budget /IDP processes.

The SDBIP was prepared as described in the paragraphs below.

THE MUNICIPAL SCORECARD (TOP LAYER SDBIP)

The municipal scorecard (Top Layer SDBIP) consolidates service delivery targets set by Council / senior management and provide an overall picture of performance for the municipality as a whole, reflecting performance on its strategic priorities for the 2011/2012 financial year. The scorecard is the performance evaluation tool and used during the informal and formal performance assessment of senior managers. Components of the Top Layer SDBIP include:

- **One-year** detailed plan, but should include a **three-year capital plan**
- The 5 necessary components includes:
 - Monthly projections of revenue to be collected for each source
 - Expected revenue to be collected NOT billed
 - Monthly projections of expenditure (operating and capital) and revenue for each vote
 - Section 71 format (Monthly budget statements)
 - Quarterly projections of service delivery targets and performance indicators for each vote
 - Non-financial measurable performance objectives in the form of targets and indicators
 - Output NOT input / internal management objectives
 - Level and standard of service being provided to the community
- Ward information for expenditure and service delivery

- Detailed capital project plan broken down by ward over three years

The following illustrates the establishment, components and review of the municipal scorecard (Top Layer SDBIP):

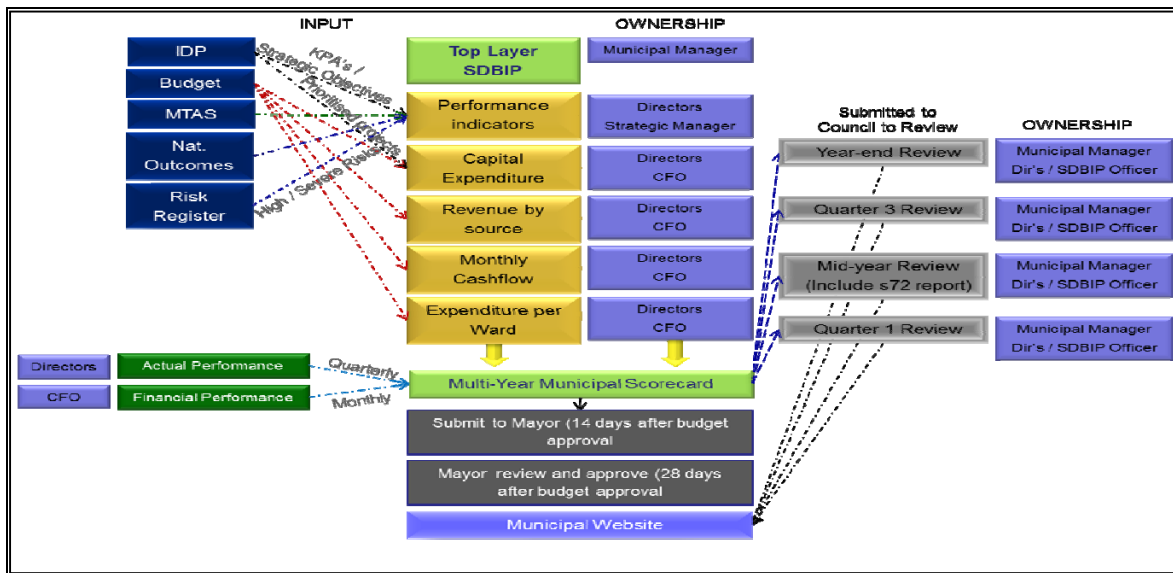


Figure 2 : Review of the municipal scorecard (Top Layer SDBIP)

Top Layer KPI's were prepared based on the following:

- Key performance indicators (KPI's) for the programmes / activities identified to address the strategic objectives as documented in the IDP in co-operation with the community who identify developmental priorities.
- KPI's identified during the IDP and KPI's that need to be reported to key municipal stakeholders.
- KPI's to address the required National Agenda Outcomes, priorities and minimum reporting requirements.
- The municipal turnaround strategy (MTAS)

It is important to note that the municipal manager needs to implement the necessary systems and processes to provide the POE's for reporting and auditing purposes.

DIRECTORATE/DEPARTMENTAL SCORECARDS

The directorate and departmental scorecards (detail SDBIP) capture the performance of each defined directorate or department. Unlike the municipal scorecard, which reflects on the strategic performance of the municipality, the departmental SDBIP provide operational detail of each outcome for which top management are responsible for, in other words a comprehensive picture of the performance of that directorate/sub-directorate. It was compiled by **senior managers** for their **directorate** and consists of objectives, indicators and targets derived from the approved Top Layer SDBIP, the approved budget and measurable service delivery indicators related to each functional area. In the event that performance targets are not met, it is required that senior managers ensure that performance comments and corrective steps are introduced

The following illustrates the establishment, components and review of the departmental SDBIP:

KPI's were developed for Council, the Office of the Municipal Manager, Engineering Services, Strategic & Corporate Services, Financial Services, Human Settlements, Public Safety, Planning, Property and Integrated Human Settlements and Community Services.

The KPI's:

- Address the TL KPI's by means of KPI's for the relevant section responsible for the KPI.
- Include the capital projects KPI's for projects. The targets are aligned with the projected monthly budget and project plans.
- Address the key departmental activities.
- Each KPI have clear monthly targets and are assigned by the senior manager to the person responsible for the KPI's.

ACTUAL PERFORMANCE

The municipality utilizes an electronic web based system hosted by Ignite Consultancy on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set.
- The output/outcome of achieving the KPI.
- The calculation of the actual performance reported. (If %)
- A performance comment.
- Actions to improve the performance by the submission of corrective measures to meet the set target for the reporting interval in question, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a hard copy portfolio of evidence to support actual performance results updated and provide it to the Internal Auditor and Auditor General upon request

MONITORING OF THE SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

Municipal performance is measured as follows:

- Mid-year assessment and submission of the mid-year report to the Mayor in terms of section of Section 72(1) (a) and 52(d) of the Local Government Municipal Finance Management Act to assess the performance of the municipality during the first half of the financial year.
- Actual performance was subjected to an internal audit and results of their findings submitted to the Performance Audit Committee on:
 - Quarter 1 and 2 were performed and reported together to the AC during February 2012.
 - Quarter 3 report were submitted to the AC for the meeting scheduled for 22 Aug 2012
 - Quarter 4 report is currently in the execution phase and will be finalised in due course.

INDIVIDUAL PERFORMANCE

MUNICIPAL MANAGER AND MANAGERS DIRECTLY ACCOUNTABLE TO THE MUNICIPAL MANAGER

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually as well published for public consumption. . This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the section 57 appointments for the 2011/12 financial year were signed during July/August 2011as prescribed. They include the Municipal Manager (28 August 2011); CFO (12 July 2011), Director Engineering Services (28 July 2011); Director: Strategic & Corporate Services (12 July 2011); Director: Community Services (12 July 2011); Director: Planning, Property and Integrated Human Settlements, (19 July 2011) and Director: Public Safety (28 July 2012).

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2010/11 financial year (1 January 2011 to 30 June 2011) took place on 23 October 2012and the mid-year performance of 2011/12 (1 July 2011 to 31 December 2011) took place on the 10/11 January 2012.

The appraisals was done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- Executive Mayor or Portfolio Chairperson
- Municipal Manager
- Chairperson of the Audit Committee
- Municipal manager from other municipality

OTHER MUNICIPAL PERSONNEL

The municipality is in process of implementing individual performance management to lower level staff in annual phases as soon as the Performance Management Framework has been adopted by Council.

SERVICE DELIVERY PERFORMANCE

Introduction

This chapter provides an overview of the key service achievements of the municipality that came to fruition during 2011/12 in terms of the deliverables achieved compared to the key performance objectives and indicators in the IDP. It furthermore, includes an overview on achievement in 2011/12 compared to actual performance in 2010/11.

3.1 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN (TOP LAYER)

The purpose of strategic performance reporting is to report specifically on the implementation and achievement of IDP outcomes. This section should provide an overview on the strategic achievement of a municipality in terms of the strategic

intent and deliverables achieved as stated in the IDP. The Top Layer (strategic) SDBIP is the municipality's strategic plan and shows the strategic alignment between the different documents. (IDP, Budget and Performance Agreements)

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP according to the 5 National Key Performance Areas (KPA) linked to the Municipal KPA's and IDP (strategic) objectives.

The following table explains the method by which the overall assessment of actual performance against targets set for the key performance indicators (kpi's) of the SDBIP is measured:

Category	Color	Explanation
KPI's Not Met		0% >= Actual/Target < 75%
KPI's Almost Met		75% >= Actual/Target < 100%
KPI's Met		Actual/Target = 100%
KPI's Well Met		100% > Actual/Target < 150%
KPI's Extremely Well Met		Actual/Target >= 150%

Figure 3 SDBIP Measurement Categories

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are indicated in the table and graph below according to the National Key Performance Indicators:






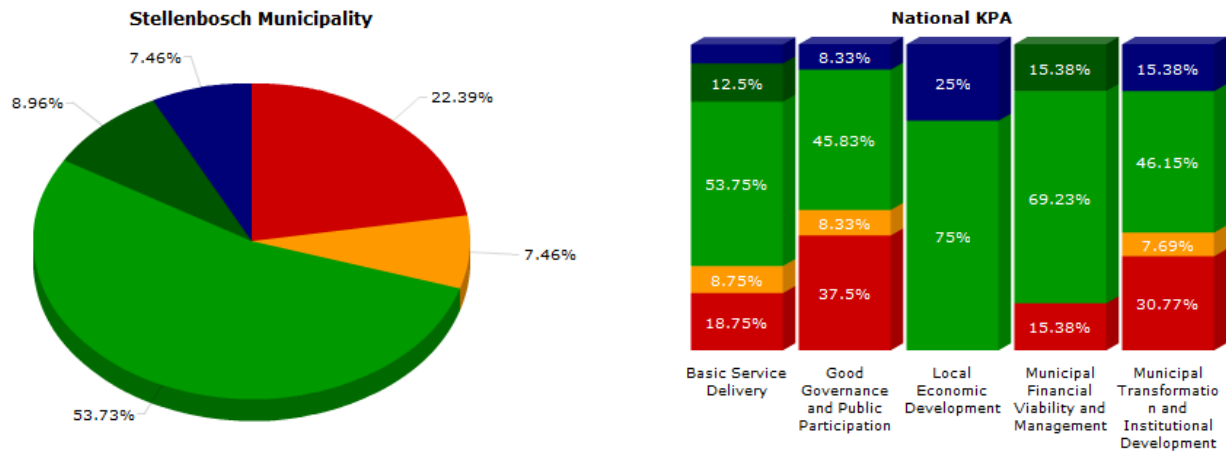
	Stellenbosch Municipality	National KPA				
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development
 KPI Not Met	30 (22.4%)	15 (18.8%)	9 (37.5%)	-	2 (15.4%)	4 (30.8%)
 KPI Almost Met	10 (7.5%)	7 (8.8%)	2 (8.3%)	-	-	1 (7.7%)
 KPI Met	72 (53.7%)	43 (53.8%)	11 (45.8%)	3 (7.5%)	9 (69.2%)	6 (46.2%)
 KPI Well Met	12 (9%)	10 (12.5%)	-	-	2 (15.4%)	-
 KPI Extremely Well Met	10 (7.5%)	5 (6.3%)	2 (8.3%)	1 (2.5%)	-	2 (15.4%)
Total:	134	80	24	4	13	13

Table 78: Top Layer SDBIP Performance per National KPA

3.1.1 OVERALL PERFORMANCE

The graph below displays the overall performance per National Key Performance Areas for 2011/12:



Graph 6: Overall Strategic performance per National Key Performance Indicator

3.1.2 ACTUAL STRATEGIC PERFORMANCE AND CORRECTIVE MEASURES THAT WILL BE IMPLEMENTED

3.1.2.1 TOP LAYER - BASIC SERVICE DELIVERY

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
TL3	Implement job creation EPWP's through alien clearing and fire protection projects	Number of jobs created	All	163 jobs created during 2010/2011	268	0	0	0	268	268	326	G 2	Not applicable
TL4	Implement agreed capital projects on sports fields.	% spent of capital budget	All	72% spending achieved	95%	0%	0%	0%	95%	95%	100%	G 2	Not applicable
TL5	Regular liaison and meetings with partners in sports community (SSRA and Sports Councils)	# Of meetings	All	10	8	2	2	2	2	8	6	O	Corrective action information not received yet
TL24	Addressing the needs of vulnerable groups through all NR programmes	No of programmes implemented addressing the needs of the vulnerable	All	New KPI	9	2	2	2	3	9	70	B	Not applicable
TL22	All communities have access to basic government services	No of open days hosted	All	New KPI	6	1	2	2	1	6	3	R	Restructuring caused the area teams to deliver on this not to report to this

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
													department any longer. Requested strategic direction for the department from MM as well as portfolio councillor.
TL23	Community profiling of Kayamandi in preparation to start of NR in that area	Profiling completed by end June 2012	All	New KPI	100%	0%	0%	0%	100%	100%	50%	R	Linked to NR IDP objective. Will include finalization of this once the strategic direction for the department is received.
TL20	Create innovative ideas to deal with the phasing out of Municipal Plantations	% submitted to Standing Committee by end June 2012	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL15	Design a new model for sports field management	Model completed and submitted to council by June 2012	All	New KPI	100%	0%	0%	50%	100%	100%	100%	G	Not applicable
TL18	Design an electronic system for burial record keeping	System designed by end of Quarter 4	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL13	Ensure that an operational plans is in place to manage and maintain all public amenities and to make them accessible	Operation plans completed by March 2012	All	New KPI	100%	0%	0%	100%	0%	100%	100%	G	Not applicable
TL11	Establish neighbourhood revitalization community structures in Cloeteville and Franschhoek and create a NR plan for each	# Of plans completed by end June	All	New projects	2	0	0	0	2	2	2	G	The execution of the plans did not occur due to a change in the objectives of Council
TL14	Extend the library services in the rural areas to include library	Launch and operate Klapmuts Public Library by 31 August	All	New KPI	100%	100%	0%	0%	0%	100%	100%	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	services to the public of Klappmuts	2011											
TL19	Finalisation of process for extension of burial space in Onder-Papegaaiberg, Kylemore and La Motte	Submission to Provincial Government of application to extent 3 cemeteries by end of Quarter 4	All	New KPI	3	0	1	1	1	3	4	G	Not applicable
TL16	Implement an Arbour Month programme	Programme approved and implemented by September 2011	All	New KPI	100%	100%	0%	0%	0%	100%	100%	G	Not applicable
TL21	Implementatio n of provincial programmes within all three areas of NR	No of programmes implemented	All	New KPI	10	0	0	0	10	10	9	O	Corrective action information not received yet
TL17	Upgrade greenhouse in Municipal Nursery	% completed	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL12	Upgrade Youth House in Franschhoek	% Completed	All	YH old	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL6	Conduct an audit on the 2 Municipal Town Halls and compile master plan for them	Audit report and master plan completed by end June	All	New KPI	100%	0%	0%	0%	100%	100%	90%	O	Audit of Franschhoek Town Hall not completed due time frame.
TL7	Effective hiring system in all existing halls and submit quarterly reports	# Of reports	All	New KPI	4	1	1	1	1	4	4	G	Not applicable
TL2	Establish an eco-centre at Jan Marais Nature Reserve	% completed of the project	All	New project	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL1	Implement phase 4 of greening master plan at town entrances	% completed of the project	All	Phase 3 completed	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL9	Clean-up projects in the rivers with local job creation	# Of projects	All	Annually	2	0	1	0	1	2	4	B	Not applicable
TL8	Manage the rivers in WC024 within the Adopt-a-River	# Of meetings	All	8 per year	9	2	2	2	2	8	8	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	Partnership and held regular meetings												
TL10	Upgrade of parks in Kayamandi, Cloeteville, Jamestown and Kylemore	% Completed	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL87	Provision of electricity that are connected to the national grid to all formal households	Number of households	All	Indicate actual for 2010/11	0	26,380	26,380	26,380	26,429	26,392.25	26,392.25	G	Not applicable
TL88	Provision of refuse removal, refuse dumps and solid waste disposal to all formal households	Number of households that does not have refuse removal, refuse dumps and solid waste disposal	All	0	0	0	0	0	0	0	0	G	Not applicable
TL90	Provision of sanitation systems limited to domestic waste water and sewerage disposal to formal households	No of formal HH that does not have at least VIP on site	All	0 as per WSDP	0	0	0	0	0	0	0	G	Not applicable
TL89	Provision of cleaned piped water to all formal HH within 200m from the household	No of formal HH that does not meet agreed service standards for piped water	All	0 as per WSDP	0	0	0	0	0	0	0	G	Not applicable
TL93	Conclude demand side management contract with ESKOM and implement as multiyear project	Number of contracts	All	New KPI	1	0	1	0	0	1	1	G	Not applicable
TL85	Implementation of electricity capital projects in terms of the budget spent	% of budget spent	All	Budget spending trends	95%	10%	35%	60%	95%	95%	100%	G2	Not applicable
TL86	Improve and standardize development application approval processes by the end of March	% Completed	All	Current processes	95%	20%	60%	100%	0%	100%	100%	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
TL82	Implement phases of projects (initiate multiyear projects) as identified from the Comprehensive Integrated Transport Plan (CITP) for Stellenbosch	Number of projects	All	Approved CITP	4	0	0	0	4	4	5	G	Not applicable
TL83	Implement the critical maintenance and rehabilitation projects from the Pavement Management System (PMS) in terms of budget available	% of budget spent	All	90% of budget spent	90%	0%	0%	40%	90%	90%	90%	G	Not applicable
TL92	Implementation of the NMT Plan and additional NMT projects as per CITP	Number of projects	All	Approved CITP and NMT Plan	0	0	0	0	5	5	5	G	Not applicable
TL84	Undertake detail studies, planning and design projects resulting from recommendations of the Traffic Signal Optimisation Study	Number of studies	All	Completed Traffic Signal Optimisation Study	3	0	0	0	3	3	3	G	Not applicable
TL91	Comply with the permit conditions of the landfill site	% compliance	All	New KPI	100%	0%	0%	0%	100%	100%	71%	R	Corrective action information not received yet
TL74	Establishment of a new landfill cell	% Established by end June	All	5 months of airspace available	100%	0%	0%	50%	100%	100%	84%	O	Delayed in start-up due to (1) an appeal and (2) tenant wanted to harvest we land could be claimed. No corrective measure - site de-established to save council money on standing time
TL75	Expand recycling-at-source (subject to	Number of neighbourhoods	All	7 neighbourhoods of Stellenbo	7	0	7	0	0	7	60	B	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	establishment of delivery points) to target neighbourhoods			sch already implemented									
TL80	Upgrade of Stellenbosch Waste Water Treatment Works (WWTW) (multiyear project) in terms of budget available	% of budget spent	All	90% of budget spent	90%	0%	0%	40%	90%	90%	96%	G 2	Not applicable
TL81	Upgrade of the Wemmershoek Waste Water Treatment Works (WWTW) (multiyear project) in terms of budget available	% of budget spent	All	90% of budget spent	90%	0%	0%	40%	90%	90%	63%	R	Multiyear project Further expenditure in 2012/13
TL77	Maintain Green Drop score of 2010/11 through the implementation of various capital projects and operational processes	% achieved during assessment	All	72%	72%	0%	0%	0%	72%	72%	5%	R	Green drop evaluation only bi-annually
TL78	Complete the water pipe replacement programme in terms of the budget available	% of budget spent	All	90% of budget spent	100%	0%	0%	0%	100%	100%	99%	O	Complete budget spent
TL79	Upgrade Paradyskloof Water Purification Works	% completed	All	New KPI	100%	0%	0%	50%	100%	100%	81%	O	Project to be completed in 2012/13 financial year multiyear project
TL76	Maintain Blue Drop status for 2011/12 through the implementation of various capital projects and operational processes	# Of blue drop awards	All	3 awards	3	0	0	0	3	3	4	G 2	Not applicable
TL43	Provision of free basic	No of registered	All	7900	10,000	3,600	3,800	4,000	4,200	3,900	4,046	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	water in terms of the equitable share requirements to indigent households	formal and informal indigent HH's receiving free basic services										2	
TL56	Shaping of the Neighbourhood Revitalisation Programme's for Franschhoek and Cloeteville	Programme adopted by council by June 2012	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL136	Compile and submit building plan for new club house at La Motte sport grounds by the end of March 2012	% Plan approved	All	New project	100%	0%	0%	100%	0%	100%	100%	G	Not applicable
TL137	Compile and submit building plan for new club house at Wemmershoek sport grounds by the end of March 2012	% Plan approved	All	New project	100%	0%	0%	100%	0%	100%	100%	G	Not applicable
TL113	Submit a comprehensive management plan for Lapland by the end June	Plan submitted by end June	All	No strategy	1	0	0	0	1	1	0	R	Committee democratically elected to formulate strategy with municipality
TL116	85% Completion of the Integrated Zoning Scheme by the end of June 2012	% Completed	All	No consolidated zoning scheme	85%	0%	0%	0%	85%	85%	70%	O	Integrated Zoning Scheme was submitted to Council to be approved for public participation. Public participation policy does not allow advertising during the recess period. Council requested document to be advertised for 90 days instead of the statutory 60 days required. Public participation will commence in the new

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
													financial year. Workshops to be held with the public.
TL115	Finalize 70% of applications within the statutory time frames	% Finalised	All	Not less than 70%	70%	70%	70%	70%	70%	70%	76%	G 2	Not applicable
TL114	80% of all building plan applications processed within 30 days	% processed	All	70%	80%	80%	80%	80%	80%	80%	111.25%	G 2	Not applicable
TL135	Compile and submit maintenance plans for hostels and Beltana for approval by the end of June 2012	Number of plans submitted	All	No existing formal maintenance plan	2	0	0	0	2	2	2	G	Not applicable
TL124	Approval of the N4 Business Plan by end June for La Motte (planning)	# Finalised	All	Appointment of professional team	1	0	0	0	1	1	0	R	Province did not approve the combined N4 application for La Motte and other areas. PGWC requested a new application to be submitted
TL117	Complete the repair to the roofs at The Steps/Orleans housing project, Cloeteville	# Of certificates obtained	All	Rectification in process	161	0	0	0	161	161	161	G	Not applicable
TL121	Construct at Kayamandi Watergang Phase 2 (Dwelling construction) (106 by the end of December 2012)	Number of units	All	Await approval of Business Plan at PGWC	20	0	0	0	20	20	0	R	Site establishment has taken place. Delivery will be done in the next financial year
TL122	Finalise Idas Valley, Erf 11330 & Lindida 1 (planning) MOU by the end of June	# Finalised	All	Await Council approval in terms of Section 14 MFMA	1	0	0	0	1	1	0	R	Planning Committee recommended that a draft MOU (LAA) must be negotiated. Recommendation must first be endorsed by Council before negotiations

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
													can commence.
TL123	Finalise N4 Business Plan and MOU by end June for Kylemore (planning)	Business plan and MOU finalised	All	Submission of business to PGWC	2	0	1	0	1	2	1	R	N4 application received from PGWC. Await occupation and build certificate from Public Works
TL120	Obtain development rights (rezoning) for Jamestown Farm 527 by the end of June 2013	% Completed	All	Rezoning in process	100%	0%	0%	0%	100%	100%	0%	R	Approval awaited
TL119	Service of 120 sites at Klapmuts 342 (Municipal) / Erf 1336	# Of sites serviced	All	Finalising MOU	60	0	0	0	60	60	180	B	Not applicable
TL118	Sites serviced at Vlothenburg Longlands (planning and installation)	# Of sites serviced	All	Await approval of Business Plan at PGWC	40	0	0	0	40	40	0	R	PGWC only approved the N4 application. N6 application to be submitted in August 2012
TL127	Complete emergency work on western side of Langrug	# Of certificates obtained	All	Pipelines - will enable to the connection of toilets	2	0	1	1	0	2	2	G	Not applicable
TL125	Formalize partnership (MOU) with the Community from Langrug by end December	Signed MOU	All	Approved MOU	1	0	1	0	0	1	1	G	Not applicable
TL128	Formalize partnership (MOU) with the Community from Mandela City by the end of April 2012	Signed MOU	All	Approved MOU	1	0	0	0	1	1	0	R	MOU not signed. To be finalized in the next financial year after engagement with the community
TL126	Submission of UISP application for Langrug by March 2012	UISP submitted	All	Application in process	1	0	0	1	0	1	1	G	Not applicable
TL58	Upgrading of Traffic office building to	% Completed by end June	All	Start upgrading end of	100%	0%	50%	75%	100%	100%	100%	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	enhance customer services by end June			December									
TL66	Ensure that all staff are issued with the requisite statutory equipment to perform law enforcement duties, such as visible policing, arrests, searches at night, etc.	% Completed by end June	All	Assessment of needs and available funding	100%	100%	100%	100%	100%	100%	100%	G	Not applicable
TL70	In-house review of the Disaster management plan including L3 by end November	In-house review by end November	All	New KPI	100%	0%	100%	0%	0%	100%	100%	G	Not applicable
TL64	Install and monitor CCTV cameras in the Greater Stellenbosch (R310 Spier) as a crime prevention and investigative tool.	% Completed by end June	All	Installed CCTV cameras at Vlottenburg and R44 near Jamestown in 2010/11 financial year	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL67	Law enforcement visible patrols in CBD areas and rural areas (mountains, rivers, farm areas) including the new initiative with the bicycles	Maintain and report monthly on the visible patrols	All	New KPI	3	0	1	1	1	3	3	G	Not applicable
TL65	Monitor and control the effectiveness of private security in an attempt to further safeguard council property (risk management initiative) through the installed perimeter clock	Report monthly on the effectiveness of the perimeter clock	All	New KPI	3	0	0	0	3	3	6	B	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
TL72	Public safety Operational budget	% Of operational budget spent by end of June	All	New KPI	95%	0%	0%	0%	95%	95%	95%	G	Not applicable
TL68	Report on the progress for the establishment of a municipal court to increase law enforcement in Stellenbosch.	Send Status quo feedback report to informal Mayco by end March	All	New KPI	1	0	0	1	0	1	1	G	Not applicable
TL69	Review the Public safety plan every 4 months and report on the past events (this includes all disciplines - fire, law enforcement and traffic)	# Reviewed and reported	All	New KPI	3	0	1	1	1	3	0	R	Corrective action information not received yet
TL71	Table the reviewed Disaster management plan including L3 for adoption end of January	End of January	All	New KPI	100%	0%	0%	100%	0%	100%	100%	G	Not applicable
TL59	Complete phase 1 (bulk services, environmental impact assessment, drawing and authorisation of site plans and the planning process for the fire station) for the establishment of a multipurpose disaster management centre	% Of phase 1 completed by end June	All	New project	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL61	Develop a fleet management policy (systems document) by end June	% Developed by end June	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL62	Develop and implement pregnancy policy for uniform staff by January 2012	% Developed by end January	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12						R	Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual		
TL63	Development of a fire management policy/plan by end March	% Developed by end March	All	New KPI	100%	0%	0%	100%	0%	100%	50%	R	Fire activities forms part of safety plan. A fire plan in process to be developed by Fire Management to be finalised by September 2012
TL60	Revamping of single quarters for 3 fire staff houses	% Revamped by end June	All	6 Houses for 2010/11	100%	0%	0%	0%	100%	100%	100%	G	Not applicable

Table 79: Top Layer SDBIP – Basic Service Delivery

3.1.2.2 TOP LAYER - GOOD GOVERNANCE AND PUBLIC PARTICIPATION

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12						R	Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual		
TL32	Reduction in turn-around time for formal quotations	% completed within 14 working days	All	New KPI	95%	95%	95%	95%	95%	95%	95%	G	Not applicable
TL47	Functional audit committee measured by the number of meetings per annum	No of meetings held	All	4	4	1	1	1	1	4	6	B	Not applicable
TL48	Risk based audit plan approved by June 2012	Plan approved June 2012	All	100%	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL57	Development of a customer care strategy	Draft Customer Care strategy developed by May 2012	All	New KPI	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL49	3rd Generation IDP compiled and approved by the end of May	IDP approved by the end of May 2012	All	100	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL51	Ensures that issues of community mobilization are focussed on in the IDP	No of stakeholder engagements	All	New KPI	4	0	0	0	4	4	10	B	Not applicable
TL50	Ensures that issues of community mobilization are focussed	No of ward committees participating in the IDP process	All	18	22	0	0	0	22	22	22	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	on in the IDP												
TL52	Ensures that issues of leadership are focussed on	No of meetings of the Leadership Forum	All	New KPI	4	1	1	1	1	4	3	O	Corrective action information not received yet
TL53	Strengthen the role	No of ward based/ area based development plans completed	All	New KPI	12	0	0	0	12	12	12	G	Not applicable
TL112	Finalize the transfer of 200 government subsidized properties to beneficiaries	# Of properties transfers	All	No contracts	200	40	0	60	80	180	98	R	521 contracts signed. Municipal debt results in no rates clearance. Acknowledgement of debts being completed
TL130	Complete a project plan for the revision of the Franschhoek SDF by the end of June 2012	Plan completed	All	Franschhoek has an approved SDF	1	0	0	0	1	1	0	R	No funding available. No project possible. No tender awarded
TL131	Complete a project plan for the revision of the Klapmuts SDF by the end of June 2012	Plan completed	All	Klapmuts has an approved SDF	1	0	0	0	1	1	1	G	Not applicable
TL129	Complete a project plan for the revision of the Stellenbosch Town SDF by the end of June 2012	Plan completed	All	Stellenbosch do not have an approved SDF	1	0	0	0	1	1	0	R	Project plan received to be used to brief the appointment of a consultant in 12/13 financial year. Negotiate for budget
TL133	Complete the inventory of the Stellenbosch Historical Core of historical resources by the end of June 2012	% completed	All	No inventory of historical resources	100%	0%	0%	0%	100%	100%	80%	O	Assist with funding if possible. None available in current financial year
TL134	Submit Air Quality Policy by the end of June 2012	% completed	All	No existing policy	100%	0%	0%	0%	100%	100%	0%	R	No funding available
TL132	Submit draft Urban Design/Pedestr	Framework submitted	All	No existing framewo	1	0	0	0	1	1	0	R	Student report only available in

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	ian Framework for Stellenbosch Town by the end of June 2012			rk									August 2012
TL110	Targeted skills development measured by the implementation of the workplace skills plan	% of budget spent	All	Please indicate how much was spent on training in 2010/11	100%	0%	0%	0%	100%	100%	49%	R	Spending dependant on the appointment of accredited providers and facilitators as well the availability of staff to attend said courses. Target to be rectified in adjustment budget
TL107	Complete the update of the municipal website by the end December with current information	% completed	All	Out-dated website	100%	0%	100%	0%	0%	100%	100%	G	Not applicable
TL108	Launch new municipal website by the end of March 2012	% completed	All	Out-dated website	100%	0%	0%	100%	0%	100%	50%	R	Website Redesign Completed
TL106	Quarterly external newsletter issued	# of newsletters	All	12 published for 2010/2011	4	1	1	1	1	4	2	R	Capacity constraints
TL105	Quarterly internal newsletter issued	# of newsletters	All	1 published for 2010/2011	4	1	1	1	1	4	2	R	Not enough content to publish quarterly
TL109	Submit Communication Policy / Strategy by the end of December 2011	% completed	All	Draft Policy	100%	0%	100%	0%	0%	100%	100%	G	Not applicable
TL96	Submit the final IDP by the end of May to Council	% completed	All	The IDP is currently not fully compliant	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL94	Safe keeping, maintenance and disposal of all records through quarterly inspections	# Of inspections	All	4 inspections for the year 2011/12	4	1	1	1	1	4	4	G	Not applicable

Table 80: Top Layer SDBIP – Good Governance and Public Participation

3.1.2.3 TOP LAYER - LOCAL ECONOMIC DEVELOPMENT

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12						R	Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual		
TL73	Creation of employment opportunities through utilisation of the EPWP program and principles.	Number of job opportunities created	All	Varies as per project	150	0	50	0	100	150	1,152	B	Not applicable
TL54	Management policy of LED is adopted by council	LED management policy adopted by June 2012	All	Current draft strategy	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL111	Complete the housing waiting list on Collaborator by the end of June	Finalised by end June	All	Three different electronic database w/lists	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL104	Local Economic Development Strategy submitted to Council by the end of March	Strategy submitted	All	Draft Strategy	1	0	0	1	0	1	1	G	Not applicable

Table 81: Top Layer SDBIP – Local Economic Development

3.1.2.4 TOP LAYER - MUNICIPAL FINANCIAL VIABILITY MANAGEMENT

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12						R	Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual		
TL28	Debtors Payment Rate	% payment rate of service debtors	All	95%	96%	96%	96%	96%	96%	96%	97.25%	G 2	Not applicable
TL36	Accurate and credible monthly reporting on the state of the municipality's financial affairs duly signed by the MM and Mayor.	# Of reports	All	12 Section 71 reports	12	3	3	3	3	12	12	G	Not applicable
TL37	Compilation of accurate and credible annual financial statements by 31 August	By end August	All	Annual Financial Statements	100%	100%	0%	0%	0%	100%	100%	G	Not applicable
TL38	The achievement of an unqualified	By end December	All	Unqualified AG report	1	0	1	0	0	1	1	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	Auditor General Report(financial)												
TL25	Completion and implementation of Interim valuations	# of interim valuations completed	All	3 interim valuations completed	2	0	1	1	0	2	2	G	Not applicable
TL26	Consistent implementation of Credit Control and Debt Collection Policy.	# of days during which cut-offs will be executed according to lists issued	All	200 days	150	45	30	30	45	150	150	G	Not applicable
TL27	Handing over of defaulting debtors failing to make or honour agreed arrangements	# Of handing over lists provided to the attorneys	All	1	1	0	1	1	1	3	1	R	Problems with handing over due to update of data clearing with Service provider
TL30	Agreed financial protocols and the enforcement of compliance by the directors	Protocol signed by all directors by end August annually	All	100%	100%	100%	0%	0%	0%	100%	100%	G	Not applicable
TL29	Monitor and report on proactively preventing the processing of unauthorised and irregular transactions	% of invoices certified	All	100%	100%	100%	100%	100%	100%	100%	100%	G	Not applicable
TL35	Approval of MTREF Annual Budget by end June	Approved by end June	All	100%	100%	0%	0%	0%	100%	100%	100%	G	Not applicable
TL33	Review and adjustment of budget and related policies	# Of policies reviewed and adjusted	All	12 policies	14	0	0	0	14	14	17	G 2	Not applicable
TL138	Compile and submit a draft policy on the management of municipal owned fixed properties for consideration by Council by the end of June 2012	% submitted	All	No existing formal policy	100%	0%	0%	0%	100%	100%	0%	R	Draft policy completed in Nov 2011.Submitted to Directors for input in Dec 2011.Submitted to Standing Committee in March 2012
TL139	Submit revised tariff structure for property transactions to Council by the end of March	% submitted	All	Approved tariff structure	1	0	0	100	0	100	100	G	Not applicable

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
	2012												

Table 82: Top Layer SDBIP – Municipal Financial Viability and Management

3.1.2.5 TOP LAYER - MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12							Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual	R	
TL42	Implementation of tested/proven Anti-virus protection and Firewall technology	Monthly review	All	12	12	3	3	3	3	12	12	G	Not applicable
TL41	Regular review of effectiveness of network security	Weekly reviews of system	All	52	52	12	12	12	12	48	48	G	Not applicable
TL40	Back-ups and Archiving of all electronic data	% daily back-ups	All	100%	100%	100%	100%	100%	100%	100%	100%	G	Not applicable
TL39	Reduce actual telephone expenditure through effective monitoring by means of monthly accurate itemized billing for each extension	# Of reports issued to the different directorates	All	6	8	3	3	3	3	12	9	O	To be Implemented System Failure
TL55	Ensure signing of performance agreements signed by all sec 57 personnel	No of performance agreements signed	All	7	7	7	0	0	0	7	7	G	Not applicable
TL103	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of appointments	All	Policy and guideline review	0	0	0	0	0	0	1	B	Not applicable
TL101	Perform a health and safety risk audit to ensure compliance to OHS legislation by the end of June 2012	% completed	All	Compliance to OHS	100%	0%	0%	0%	100%	100%	0%	R	Occupational health and Safety Section undertakes to ensure compliance in terms of Occupational

Ref	KPI	Unit of Measurement	Wards	Baseline	Annual Target	Performance for 2011/12						R	Corrective Measures
						Q1	Q2	Q3	Q4	Annual	Actual		
													Health and Safety legislation upon approval of the Occupational Health and Safety Policy.
TL102	20% decrease in the labour related cases within the organisation for the financial year	% decrease in cases	All	Please indicate how many cases was reported in 2010/11	20%	20%	20%	20%	20%	20%	10%	R	Training to be provided to all supervisors during November 2012
TL95	Provide a quarterly report of Collaborator usage to the Director's Forum and Municipal Manager	# Of reports	All	4 report for the year 2011/12	4	1	1	1	1	4	4	G	Not applicable
TL97	Develop and implement a Performance Management System that is aligned to the IDP by the end of June	% Implemented	All	The current SDBIP is not fully aligned to the IDP	100%	0%	0%	0%	100%	100%	0%	R	Conduct a comprehensive assessment of how well the performance management system in its current format is implemented
TL99	Completed employee files captured on the electronic document management system by the end of June 2013	Number of files completed	All	Approximately 1200 employees	300	0	0	150	150	300	220	R	Not applicable
TL98	Comprehensive employee files in place for all staff by the end of June 2013	Number of files completed	All	Approximately 1200 employees	300	0	0	150	150	300	800	B	Not applicable
TL100	Submit quarterly reports on the trends identified from exit interviews to assist with employee retention	# Of reports	All	HR doing exit interviews	3	1	1	1	1	4	4	G	Not applicable

Table 83: : Top Layer SDBIP – Municipal Transformation and Institutional Development

3.2 SERVICE PROVIDERS STRATEGIC PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and service provider with whom the municipality has entered into a service delivery agreement. According to AG's office:

- Service provider means a person or institution or any combination of persons and institutions which provide a municipal service
- External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality
- Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality

Section 121(b) of the MFMA and Section 46 of the MSA further state that a municipality should include the following related to service providers in its annual report:

- The performance of each service provider
- a Comparison of the performance with targets set for and performances in the previous financial year; and
- measures taken to improve performance

The purpose of this section is to provide information related to the performance of external service providers. Only services rendered for an amount more than R200 000 are listed.

3.3 MUNICIPAL FUNCTIONS

3.4.1 ANALYSIS OF FUNCTIONS

The municipal functional areas are as indicated below:

Municipal Function	Municipal Function: Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	Yes
Building regulations	Yes
Child care facilities	No
Electricity and gas reticulation	Yes
Fire fighting services	Yes
Local tourism	Yes
Municipal airports	No
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes

Municipal Function	Municipal Function: Yes / No
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	No
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	No
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes from 2013
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	No
Licensing and control of undertakings that sell food to the public	No
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	No
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Table 84: Functional Areas

3.4 PERFORMANCE HIGHLIGHTS PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Highlights
Office of the Municipal Manager	Executive & Councillor support	Developed a well-structured organogram which was adopted by the Municipal Manager in and submitted (Staff Establishment), which resulted in the appointment of additional staff in order to ensure that effective support could be provided to the Mayco as well as all councillors.
		The Executive Support staff of Council (staff dedicated to the Executive Mayco Members) was previously deemed as "political appointments". Each Mayco member previously had his/her own allocated staff member and they now share a staff member with 2 other Mayco members. For the first time the Council support staff is now being optimally utilized by Council.
		After the elections, all incoming Councillors were furthermore formally inducted and orientated. Assistance and advice was rendered in order to ensure that Councillors understand their role and duties.
		Additional ward offices were established and ward Administrators appointed to assist Ward Councillors. A shared facility was established to provide access to internet to PR Councillors as well.
		Administrative procedures was put in place in order to ensure that Councillors could obtain information to Municipal Records should they require same.
Strategic and Corporate Services	Administration	Printing Council agendas and minutes on time – prior to meetings
		Delivering agendas and minutes to Councillors
	Communication	Adoption of Communication Policy
		Corporate Identity Manual
		Induction of Councillors
	HR	Approval of Human Resources Management Policies
		Successful compilation, submission and implementation of Workplace Skills Plan
		Submission of Employment Equity Report 2011/2012
		Facilitation of ABET Training 2011/2012
		Submission of Recruitment and Selection, Labour Relations and Occupational Health and Safety Quarterly reports.
	Performance & IDP	A performance management system has been introduced and functional with the aim to improve a culture of performance reporting.
Financial Services	Revenue	SAMRAS training provided to all Income personnel
		An improved collection rate of debtors - 98%
	Expenditure	Pay slips are issued before the 25th of every month
		Salaries and wages are paid on time every month
		Bulk of creditors are paid within 30 days
		Third parties always paid on time
	Budgeting and Costing	Ratings Africa – rated Stellenbosch Municipality 2 nd Best Financially Sustained Municipality in South Africa
		Successful completion of Budget estimating, NT Reporting and Easy Query Training (SAMRAS System)
		Upgrade d the SAMRAS Financial System to ensure that management information is current and informs strategic decision making
	Financial Statements & Reporting	Received a financially unqualified Audit Report for the 5th consecutive year
		Successful implementation and increased operational efficiency of Case ware
	ICT	Implemented a Wireless Internet Connection in conjunction with Mxit and University of Stellenbosch

Directorate/ Functional area	Sub Directorate	Highlights
		Successfully Installed Anti-Virus Firewall technology for Network Protection
		Roll out of the VOIP telephone Network System within the organisation
	Supply Chain Management	No irregular expenditure and no adverse findings.
Planning, Property and IHS	Housing Administration	The department is in the process of scrutinizing and sanitizing ± 18 000 waiting list records. Given the provincial intervention a new databases will be provided to all municipalities, whereby the old Housing Administration Waiting List System (H.A.W.L.S) and the Collaborator Waiting List System can be captured on. This will assist the public to verify their information on the integrated system.
		Notwithstanding the Department having completed and signed 521 transfer documents, only 98 transfers could be registered at the Deeds office.
		The Department is actively engaging with the beneficiaries to ensure that they are aware of outstanding municipal charges and to complete acknowledgment of debt forms. This will enable further transfers to continue.
	Land Use Management	Completed Public Participation Process and finalising the final Draft Integrated Zoning Scheme
		Completion of more than 70% of land use applications within statutory time frame.
		90% of positions filled
	Spatial planning	Preparing a simplified, updated version of the Draft WC024 SDF
		Completing the Draft Jonkershoek SDF
		Finalising the Draft Heritage Register for Stellenbosch
	New Housing	<u>Digteby, Vloottenburg</u> A private developer called Digteby Trust has donated about 11ha of land to the municipality. Stellenbosch Municipality concluded an agreement with Digteby Trust which allowed the servicing of 20 sites and building of 20 subsidised housing units. Hand over took place during March 2012.
		<u>Klapmuts</u> The project was initially designed to accommodate only 536 units, creative densification of the area resulted in an increase in the amount of residential erven to be provided from 536 to a total of 1 056. During the financial year, more than 500 sites were serviced.
	Informal Settlements	The department also successfully removed families from Soopjeshoogte and relocated them in La Rochelle, Klapmuts.
		Enumerations completed in Enkanini, 7de Laan, Jonkershoek, Lanquedoc and Langrug.
	Property Management	The department is steadily rolling out the Access to Basic Services (ABS) Programme and is well on its way to meet the nationally required targets of 1 toilet per 5 households and 1 tap per 25 families.
		<u>Contract Administration</u> A draft policy on the Management and Administration of Council-owned fixed properties was compiled, but still needs to be considered by Council. Once approved, this policy will not only create a framework for future property transactions, but will enable Council to manage property more strategically. A new system was developed and introduced in terms were of all encroachments, including outdoor dining applications, are now being dealt with as business opportunities (market related tariffs). A new tariff structure was approved for long-term lease agreements.
		<u>Facilities Management</u> Out of a total capital budget of R5 710 656, the department was able to spent R5 058 172, i.e. an 88.5% spending rate*. This was done notwithstanding the fact that the position of Head: Facilities Management is vacant since November 2009. 100% of the maintenance budget of R6 269 010 was spend. The following projects were successfully concluded:

Directorate/ Functional area	Sub Directorate	Highlights
		<ul style="list-style-type: none"> Upgrading of Mooiwater Youth Centre; Refurbishment of Dorp Street apartments and Voorgelegen building; Upgrade of Kloof- and Lang Street flats (10 units); Upgrade of toilets at Stellenbosch Townhall; Upgrade of Kayamandi flats (12 units); Replacement of ±500m of palisade fencing at Watergang, Kayamandi; Upgrade of Traffic Department offices
Public Safety	Traffic Services: Court Section	In July 2012, the contract we had with Syntell came to an end and a new contract was awarded to Traffic Management Technologies (TMT). This contract has brought a positive product to the Municipality by providing Traffic law enforcement equipment, back-office system and related services.
	Traffic Services: Motor Vehicle Registrations	This section was upgraded to give a positive co-operate image of the department.
	Traffic Services: Vehicle Testing Station	This section was upgraded to give a positive co-operate image of the department.
		We have also secured a Play-detector which is utilized for purposes of testing shocks on motor vehicles
	Traffic Services: Drivers Licenses	We managed to reduce the Learners license backlog from 90 days to 30 days.
		This section in conjunction with Provincial department of Community services had a project of Learners licences for under privileged people at Klapmuts. Ninety people attended and 80% of them managed to successfully obtain their learners licence.
	Traffic Services: Law Enforcement	The department manages to acquire a midi-bus which is going to be utilized for Automatic Number plate recognition system(ANPR)
	Traffic Services: Administration	The staff donated clothing items which were given to the Grace Outreach Centre. Officials assisted with the distribution and feeding of disadvantaged people.
	Fire and Disaster Management	<p><u>Inclement weather, floods and social conflict</u></p> <p>During the winter season, we saw a remarkable increase in flood related calls. Most of the incidents were well coordinated by our Disaster Management section in trying to prevent water damage to houses in the informal areas of our town.</p> <p>The threats of xenophobia in Stellenbosch were also minimized by well-coordinated efforts by the SAPS, Social Disaster Relief and the Emergency Services.</p> <p>This department was also actively busy in organising major events in our area for example the Burger Cycle tour and the Festival of Lights and many others.</p> <p>Various awareness campaigns were conducted in most of the informal areas, with a focus on candle safety, fires, and flash floods.</p> <p><u>Skills development of staff</u></p> <p>Various courses were attended by our staff. During this time 10 of our members were qualified in the First Aid Level 1 and 3 Certificates, obtained through St Johns Ambulance in Somerset West. . 5 contract fire fighters completed their Fire Fighter 1 course at the Cape Winelands Training Centre. This course is a three month course and was free of charge.</p> <p>One of our fire fighters also obtained the Fire fighter 2 qualification at the Cape Winelands Fire and Rescue Training Centre. Another one was the first at Stellenbosch to obtain her Paramedic course at Peninsula Technicon (CPUT)</p> <p><u>Spot checks of pubs, restaurants and entertainment areas</u></p> <p>During this time, more emphasis was placed on the routine visits to our high risk areas of entertainment. During these visits, compliance to our National Building Regulations, were concentrated on. Overcrowding of pubs and restaurants were also regulated.</p> <p><u>Public awareness programs</u></p> <p>Crèche's and pre-primary schools were visited and the STOP, DROP and ROLL activity were exercised. The making of foam at the end of the displays is always a hit for the children.</p>

Directorate/ Functional area	Sub Directorate	Highlights
		<p><u>Temporary fire fighters</u></p> <p>The contracts of our temporary fire fighters were extended to the end of June 2012. With this gesture, 12 members of our community benefited financially and also assisted in our Summer Season planning.</p> <p><u>Fleet management</u></p> <p>We were very fortunate to get a 4x4 Land cruiser, skid unit in this financial year. This was a very good addition to our current aging fleet of vehicles.</p> <p><u>Commendation</u></p> <p>Public Safety and especially the Fire and Rescue services received commendations from the Municipal Manager, the Executive Mayor as well as Mr Bokkie Geyer from the DA for rescuing an adult male during a structural collapse where a floor slab caved in on top of three adults. Two adults lost their lives in the incident. The team was also nominated for the Centrum Guardian Heroes award. This was televised on SABC 3 and the team reached the semi-finals. The team were flown to Johannesburg for the ceremony.</p>
	Law Enforcement	<p>The 100 day zero tolerance project of the Executive Mayor was successfully implemented from 28 July 2011 and continued until 6 November 2011.</p> <p>Joint operations were held with SAPS and other disciplines in the fight against crime. The department purchased two quad bikes which were introduced with effect from July 2011 to deal with the effective patrol of our mountainous areas and informal settlements.</p> <p>A Safety and Security Forum have been established and partnerships in the fight against crime have been cemented with various stakeholders such as SAPS, CPF's, Neighbourhood Watches, Security disciplines, the University of Stellenbosch, etc.</p> <p>The Municipality have an approved Safety Plan which is updated and reviewed every 5 months. A Special Operations Unit consisting of SAPS, Law Enforcement officers and Traffic officers has been established and had many successes in the fight against crime.</p> <p>The Department have a dedicated Anti- land Invasion team to deal with illegal structures and have demolished many illegal structures. Currently, Stellenbosch Municipality have over 60 CCTV surveillance cameras installed at hotspots and monitor these cameras on a 24/7 basis. These cameras have proved to be a real deterrent for criminal activities and will the installation of more CCTV cameras be extended as funds become available. The department is currently investigating ANPR (Automatic number plate recognition) in order to be able to spot stolen vehicles and other traffic related offences. It will also be used to recover outstanding traffic fines.</p>
	Logistics, Events and Fleet Management	<p>The Council's current Vehicle Policy has been reviewed and will be tabled at the next Council meeting for adoption. The Municipality have an events office where all events taking place within the WC024 area of Stellenbosch need to apply for permission through this office. All major events are processed according to the prescripts of the Events Act.</p>
Community Services	Environment, Sport & Facilities	<p>Completion of Civil works at the 9 sports stadiums</p> <p>Hosting of National Soccer Tournament (Ajax Cape Town vs. Stellenbosch)</p> <p>Completion of 3 Year Capital Investment Paving Project, Van Der Stel</p> <p>New Sports Management Model and in Draft Form</p> <p>Supply of Irrigation to Wemmershoek (Rural Sport)</p>
		<p>Capital Improvement of facilities at Jonkershoek Picnic Site lead to the highest amount of visitors ever recorded</p> <p>First Environmental Training Centre completed in Jan Marais Nature Reserve</p>
		<p>Completed a New Draft Tree Management Policy</p> <p>Complete Landscaping of Adam Tas Town Entrance Phase 4</p> <p>Improving of Municipal Nursery</p> <p>Commencement of the "Mayoral 1 Million Tree" Project in the WC024</p>
		<p>Opening of the First Public/School Library in the Western Cape (Klapmuts)</p> <p>Anniversary of Plein Street Library (150 years), Idas Valley (50 years) and Cloeteville Library (30 years)</p>
		<p>Upgrading and Opening of the Wemmershoek Hall</p>
		<p>Public Partnership between Remgro and Municipality Stellenbosch lead to the donation of R350 000 for</p>

Directorate/ Functional area	Sub Directorate	Highlights
		<p>the cleaning of Plankenbrug River.</p> <p>Partnership with University of Stellenbosch with Stellenbosch Municipality ensured the cleaning of Kromme River with 500 students.</p> <p>Partnership with the Community, Local business and Municipality lead to the upgrading of Noble Street Park with public funds.</p> <p>Dignified Living Project: Upgrade Informal Structure Klein Mooiwater (Hi-Tech Shack).</p> <p>Successful cleaning of Kayamandi, Slab Town and Klappmuts</p>
	Community Development	<p>Municipal Open Days: The concept of a Mobile Thusong is known by most people in LG in ensuring people can access government services. The extension of this into municipal open days and working with our own line departments in taking services to small communities that would otherwise have to access public transport to access municipal services created a sense of mainstreaming municipal services to benefit the poor.</p> <p>Partnerships:</p> <ul style="list-style-type: none"> Start of a possible new partnership with Hope through Action (a UK based NGO) and SCORE focussing on youth development through sport. Partnering with US on the SUSPI Stars of Tomorrow programme <p>The invitation to extend the Dilbeek partnership into a federal programme with the aim of accessing more funds for youth development</p>
Engineering Services	Development and project management	<ul style="list-style-type: none"> Continuous update of more comprehensive development conditions, development agreements and services agreements to stimulate responsible development in WC024. Assessing services capacities and input on strategy to address capacity backlogs. Update of the 15 year budget to enable long term planning in respect of bulk services. Facilitate and give comment on various land-use applications such as rezoning, subdivisions, encroachments, departures, etc. Facilitate and give comment on various building plans and engineering designs. Liaise with developers on development proposals. Liaison with Integrated Human Settlements regarding bulk services condition and implementation strategies. Registration of various MIG projects for 2013/2014 and beyond. Project manages the appointment of consultants for the upgrade of GIS software to enable personnel access to geographical information of municipal engineering services. Project manages the construction of the bulk water and sewer connection for Jamestown Farm 527 Project manages the design of the future bulk water and sewer services for Jamestown. Project manages the construction of a bulk sewer pipe for Klappmuts Project manages the construction of new access road and extension of Groenefontein Road in Klappmuts Streamlining processes and procedures Acceptable response to land-use applications Update and enhance IMQS and GIS software Increase access to IMQS to 76 users from 7 users in 2010/11 Appointment of Principal Technician
	Electricity Services	<ul style="list-style-type: none"> Two major 66kV upgrade projects were transferred to the new financial year due to legal action During the financial year six (6) substations were totally refurbished with new high voltage switchgear and in major commuter roads the overhead reticulation was replaced with underground systems
	Solid Waste	Separation-at-source programme
		Construction of new lined cell at the Devon Valley (Stellenbosch) Landfill
		Waste to Energy
	Transport, Roads and	<p>Rehabilitation and Reseal of Surfaced Roads</p> <p>The following roads have been identified for resurfacing / rehabilitation during the 2011-2012 financial</p>

Directorate/ Functional area	Sub Directorate	Highlights
	Stormwater	<p>years. Although the national shortage of bitumen had delayed the start of the projects, the following road works were completed:</p> <ul style="list-style-type: none"> Adam Tas (Dorp Street Winelandsburg Road) (Rehabilitation) Bird Street (Du Toit – Church) (Rehabilitation and Resurfacing) Meul Street (Rehabilitation and Resurfacing) Mill Street (Rehabilitation and Resurfacing) Church Street (Between Meul and Mill) (Rehabilitation and Resurfacing) <p><u>Asphalt Surfacing of Gravel Roads</u></p> <ul style="list-style-type: none"> The following Gravel roads, in Klapmuts, have been surfaced during the 2011 – 2012 financial year. De Jager Street, Cloete Street, Jefferson Street, Hani Street, Fortuin Street, Fabrick Street, Mullins Street, Hartzenberg Street, Zincke Street, Anthony Street, Caleni Street, Moses Street, Meintjies Street, Martin Street, Nyanga Street, portion Jacobs Street, portion Williams Street, Malgas Street, Julius Street, Van Wyk Street, Van Niekerk Street, Sidodo Street and Alexander Street <p><u>River Management Plan</u></p> <p>A River Management Plan has been compiled. The main objectives were to assess the state of the Eerste, Krom and Plankenbrug rivers, so as to develop a remediation plan to address identified issues. The assessments and analysis of the data highlighted erosion and bank stability as critical issues requiring immediate and focused attention. The project also initiates the process to obtain environmental authorisation so as to implement the identified interventions in the near future.</p> <p><u>Stormwater Infrastructure in Idas valley and Cloetesville</u></p> <ul style="list-style-type: none"> About 600m of new stormwater pipes and 21 new inlet structures were constructed in the following roads, to improve stormwater drainage: Comice Road, Bartlett Rise Road, Leclerc Road, Lindida Road, Talana Road, Waveren Road, Van Dyk Road, Curry Street and Long Street. <p><u>Non-Motorised Transport (NMT) Facilities</u></p> <ul style="list-style-type: none"> Approximately 5km NMT facilities (bicycle and pedestrian walkways) were constructed along the following routes: Piet Retief Road, Stellenbosch Blake Road, Strand Street (R44 near Paradys Kloof), Bird Street <p><u>Public Transport Facilities</u></p> <p>A bus embayment and shelter was constructed in Huguenot Street, Franschoek.</p> <p><u>Traffic Engineering:</u></p> <ul style="list-style-type: none"> 8 Signalised intersections along the R44 from the R310 Helshoogte road to Van Rhee de street has been converted from the SCOOT (Split Cycle Offset Optimisation Technique) system to a synchronized traffic control system (green wave), to improve the traffic progress. A further 5 signalised intersections were upgraded to LED energy saving traffic lights. Most of the traffic controls along Merriman Avenue were upgraded with an Accessible Pedestrian System – Tactile Audible pedestrian push buttons which assists visual and hearing impaired pedestrian to safely cross the road. The Directional Information Signage at the intersections of Helshoogte road/ Cluver road and the traffic circle at Cluver/Merriman/Marais/Martinson street were upgraded. Various road safety measures along the Webbersvallei road were implemented such as improvement of stormwater systems and the implementation of safety rails along embankments. The following traffic calming measures were implemented in the Stellenbosch municipal area (WC024): 31 speed humps, 1 raised pedestrian crossing in Herte street, 1 raised median in the curve of lower Jonkershoek road and the traffic circle at the intersection of Techno/Proton Avenue in Techno park were upgraded to accommodate a dedicated right turn lane and a separate straight through lane, to improve the traffic progression. A Road Signage Information System were established which required the survey and condition assessment of all road traffic signage. The captured data includes information regarding the position, type, functionality and condition of each sign. After the information was audited, IMQS (Infrastructure Management Query System) captured and processed the data. The road traffic signage within the municipal area was found to be in a general good condition – approximately 62% of the street names and 79% of the road signs contained no faults. The total cost for the surveyed entities in need of maintenance and/or replacement is estimated at R501 454-00 exclusive of VAT, while the total replacement value of the road traffic signage asset amounts to approximately R5

Directorate/ Functional area	Sub Directorate	Highlights
		<p>000 000-00.</p> <ul style="list-style-type: none"> To comply with Occupational Health and Safety regulations according to the transport of personnel, materials and equipment in the same cabin, the department was tasked to find suitable means of transport for all the above-mentioned items, which resulted to the procurement of a 2.5 ton Double Cab truck.
	Water Services	<ul style="list-style-type: none"> Tenders awarded for the refurbishment of the Stellenbosch Waste Water Treatment Works (Contract value ± R 23 million). To be completed by April 2013. Refurbishment of 17 sewer pump stations completed (Contract value ± R 4,7 million) Construction of Security Fencing at SB WWTW completed (Contract value ± R 4.5 million). Applied for RBIG funding – an amount of R 35 million conditionally approved by the Department of Water Affairs. Memorandum of Understanding for implementation signed by DWA and Stellenbosch Municipality. Construction of new Wemmershoek WWTW and associated pipeline (approx R 71 million). Tender awarded and started with implementation. Project will be completed by December 2013. Upgrading of Paradyskloof Water Purification Plant from 10 to 15 mega litres per day, (Contract value ± R 4.5 million), project completed successfully. New river water quality monitoring program. New manhole monitoring program. Roll-out of trade effluent monitoring program from 15 to 300 industries. Franschhoek WWTW- Emergency Interventions – Successful completion and commissioning of the new intermittent sequential batch reactor, resulting in a significant improvement in final effluent quality. NQF (three) 3 –all Water Treatment staff found competent; Wastewater Treatment staff subjected to internal training with the aim of achieving competency in 2013, N3 completed – 2 Water Treatment employees and (three) 3 Wastewater Treatment employees passed. Water and Wastewater Supervisory Training completed and nine (9) employees received certificates. Blue Drop Certification - achieved 4 Blue Drop awards (have now received a blue drop every year since its inception in 2009, 2010 and 2011) Completion of Water Services Development Plan as per Section 12 & 13 of the Water Services Act No108 of 1997. Completion of yearly Water Services Audit Report dated January 2012. Detailed Sources Study updated for the greater Stellenbosch WCO24 area. Completion of the Long Term Water Conservation and Water Demand Management Strategy for the WCO24 area as per directive from Minister and Department of Water Affairs. Water pipe replacement capital project: 11 632 m of water main, 654 domestic water meters, 54 bulk water meters, 48 fire hydrants, 74 valves and chambers, 5 pressure reducing valves and chambers. Completed over the last two financial years. Bulk sewer pipeline (355mm diam.) successfully installed from Kylemore to Pniel WWTW

Table 85: Performance highlights per directorate/functional area

3.5 CHALLENGES PER DIRECTORATE/FUNCTIONAL AREA

Directorate/ Functional area	Sub Directorate	Challenges
Office of the Municipal Manager	Executive & Councillor support	To roll-out ward offices to remainder wards where some councillors now share facilities
Strategic and Corporate Services	Communication	Human Resource Capacity
		Budget Constraints
		Information Flow and Gathering
	HR	Major shortage of staff within the Human Resources Department.
		Limited funds available for the implementation of critical KPA's.
		Lack of proper succession planning and career path.
		Lack of commitment of senior management towards staff wellness.
		Lack of commitment towards skills development.
		Appointment of advertisement agency.
		Advise and implement of a new induction programme.
		The segregation of duties between the Human Resources and Financial Department.
		Lack of proper leave management by line managers.
		Lack of accountability by line managers in respect of disciplinary and grievance processes.
	Performance & IDP	The overall buy-in into a performance management culture is required from all senior managers. No budget was acquired for the system as well as ample staff to support the unit.
		Staff will require more exposure to secure the update of realistic performance comments and corrective measures.
		The success of the performance management system will ring in the commencement of the individual performance process.
Financial Services	Revenue	Handover of defaulting debtors to Attorneys
		Tracing of Defaulting Debtors
		Data Cleansing
	Expenditure	Payments of Creditors within 30days
	Budgeting and Costing	Lack of capacity to fully comply with ever increasing Laws, Regulations and Standards
	Financial Statements & Reporting	Complete Asset Register that fully complies with Grap 17 Accounting Standard.
	ICT	Upgrading of network infrastructure
		Roll-out of Microsoft Outlook
	Supply Chain Management	Lack of capacity, personnel, budget and infrastructure to improve in the turnaround in processing procurement requests for goods and services.
		No Job Descriptions in the TASK format.
Planning, Property and IHS	Housing Administration	During October 2011 the Department was instructed to continue with the Collaborator Waiting List as its official information system with regard to the housing waiting list.
		In the period under review, the promotion of home ownership by transferring properties previously purchased by way of the National Housing Subsidy Scheme proved to be a challenge. Notwithstanding the Department having completed and signed 521 transfer documents, only 98 transferred could be registered at Deeds office. This was largely due to the beneficiaries not being able to obtain rates clearance certificates as a result of

Directorate/ Functional area	Sub Directorate	Challenges
		outstanding municipal debts.
	Land Use Management	No staff to deal with the land use contraventions
		No in-house GIS Personnel to update the zoning maps
	Spatial planning	The appointment of a qualified, experience environmental officer
		The lack of a proper GIS system
		The lack a design capacity in the section
	New Housing	Finding suitable land for housing development and obtaining the necessary Basket of Rights is a difficult process.
		The unavailability of bulk infrastructure limits development
		The convoluted process of receiving Business Plan Approval Process (Department of Human Settlements) creates a delay in the projects.
	Informal Settlements	Impossible to manage 17 informal settlements consisting of ±40 000 people with 5 staff members – under provision of basic services
		Increasing number of evictions. No alternative accommodation.
		Lake of official vehicles and office spaces.
Public Safety	Property Management	<u>Contract Administration</u> Although new applications are processed, there is a backlog in renewing existing encroachment agreements, due to the fact that the position of Head: Contract Administration is vacant as from November 2009.
		<u>Facilities Management</u> The biggest challenge facing the department is to be able to do maintenance work on a pro-active basis and not on an <i>ad hoc</i> basis, due to insufficient/limited maintenance budget and the fact those vacant positions, including the Head: Facilities Management cannot be filled. To enable the department to do maintenance work on a more pro-active basis, the current maintenance budget will have to be drastically increased. A large percentage of the maintenance budget had to be spending on fixing vandalised buildings and infrastructure. This phenomenon is growing on an annual basis.
	Traffic Services: Court Section	The most urgent challenge we encounter in this section is to find ways/methods to increase fine income.
	Traffic Services: Motor Vehicle Registrations	It is crucial that funding be made available for purposes of addressing approved/non-funded posts that will assist on improving our efficiency & effectiveness in service delivery
	Traffic Services: Vehicle Testing Station	It is crucial that funding be made available for purposes of addressing approved/non-funded posts that will assist on improving our efficiency & effectiveness in service delivery
	Traffic Services: Drivers Licenses	The need for building a Grade A driving license testing centre within the Greater Stellenbosch area is a high priority.
		It is crucial that funding be made available for purposes of addressing approved/non-funded posts that will assist on improving our efficiency & effectiveness in service delivery
	Traffic Services: Law Enforcement	Financial commitment is required to improve our vehicle fleet.
		It is crucial that funding be made available for purposes of addressing approved/non-funded posts that will assist on improving our efficiency & effectiveness in service delivery
	Traffic Services: Administration	Funding is urgently required to improve our storage space.
		It is crucial that funding be made available for purposes of addressing approved/non-funded posts that will assist on improving our efficiency & effectiveness in service delivery.
	Fire and Disaster Management	<u>Satellite Fire station (Klapmuts and Jamestown)</u> Stellenbosch Fire Services do not comply with the legislation as prescribed by SANS 10090 with regards to response times. In order to align ourselves and comply with this

Directorate/ Functional area	Sub Directorate	Challenges
		<p>legislation, the building of two satellite stations (Klapmuts and Jamestown) are a necessity. Klapmuts was identified as a project for the 2010/11 financial year. The project is in its planning phase. Jamestown satellite station must still be budgeted for.</p> <p><u>Specialised vehicles for Fire services</u></p> <p>The current fleet of vehicles in the Fire Services are very old and needs replacing. These vehicles are dedicated, specialised vehicles and needs to be budgeted separately on the capital budget. The immediate need for the Fire Services is two Major Pumpers and one medium pumper. Our hydraulic platform is also very old and to replace it would cost approximately R 6, 5 million. (In terms of our high rise buildings and the risks associated with it, this vehicle must be replaced as soon as possible)</p> <p><u>Dedicated overnight quarters at Stellenbosch Fire Station.</u></p> <p>The current situation with regard to housing is that there are 20 houses on the premises. Some of which are either free-housing or rented by fire fighters. This has its advantages but also its disadvantages.</p> <p>The rules of the fire services can't be applied consequently when fire-fighters on duty are staying on the premises. To improve the situation, dedicated overnight quarters must be built on the immediate premises of the Fire Services. This would improve response times, morale and the fact that all the rules and regulations of the Fire services can be applied evenly.</p> <p><u>Capacity in terms of Manpower</u></p> <p>Stellenbosch Fire Services do not comply with the legislation as prescribed by SANS 10090 with regards to the manning levels of vehicles when responding to emergencies. The Fire Services are seriously understaffed and only the Reservist programme and Seasonal contract fire fighters have assisted us thus far in meeting some of our responsibilities. When persons are send on training courses, the personnel at the La Motte satellite fire station are pulled to the Main Station in Stellenbosch.(Effectively this means that the station is closed for the duration of training, during the day).</p> <p>This has a negative impact on service delivery to the outlying areas of Stellenbosch. This also impacts negatively on our overtime budget.</p> <p>Disaster Management only has a staff of one person. This needs to be addressed very urgently</p>
	Law Enforcement	<p><u>We would like to achieve the following:</u></p> <ul style="list-style-type: none"> • 24/7 Law Enforcement service • Dedicated copper theft unit <p><u>To achieve this we need the following:</u></p> <ul style="list-style-type: none"> ● Appointment of at least 31 additional staff (permanent or temporary) – this excludes the current temporary staff which focus on access control & security functions) ● 15 additional patrol vehicles(7 sedans, 6 Ldv's and 2 multi-purpose vehicles – 6 seaters to be able to transport staff) ● Additional funds for protective clothing, tools & equipment and fuel & oil)
	Logistics, Events and Fleet Management	<p>The appointment of 2 clerks to assist when the Fleet Management System tender will be awarded.</p> <p>We need at least 2 pool vehicles to address transport needs of other departments.</p> <p>Adequate safeguarding of Council vehicles.</p>
Community Services	Environment, Sport & Facilities	Lack of Security, Vandalism & Theft
		Operational funding to address issues such as security, operational maintenance on urban and rural sports fields.
		Lack of staff, equipment and transport in department
		Eradication of invasive alien vegetation
		Strategic direction from Council in the way forward with the management of cleared plantation land.

Directorate/ Functional area	Sub Directorate	Challenges
		Critical shortage of burial space/land
		Continuous Pollution of rivers through dumping and chemical substances.
		Distribution and development of multi-purpose community facilities e.g. Klapmuts community hall and swimming pool.
		Extension Library services to rural areas.
	Community Development	Towards the end of the financial year restructuring caused the department to shrink from 19 employees to 5. This influenced service delivery negatively as is evident in the statistics of the SDBIP.
Engineering Services	Development and project management	Responding to land-use applications for which no bulk services capacity exists.
		Potential legal action due to inability of Stellenbosch Municipality to provide bulk services
		To accommodate developments within their rights for which no capacity exist i.t.o. bulk services
		Rigid procurement processes
		Lack of support from Support functions/departments
	Electricity Services	Maintaining and providing electrical supply in informal settlements complex due to cable thefts and substation VANDALISM etc.
		Two major 66kV upgrade projects were delayed and transferred to the new financial year due to legal action.
		Human resource shortages due to unfunded vacancies
		Lack of support from Support functions/departments
	Solid Waste	Shortages of resources -A proper material process flow, adhering to all legal compliance issues must be implemented
		Lack of immediate airspace - Waste must be diverted to landfills outside Stellenbosch until the new cell is operational
	Transport, Roads and Stormwater	Difficulties in providing and maintaining roadways in informal settlements, space constraints, steep grades, community issues, etc.
		Insufficient funding to timeously address the road maintenance backlogs.
		National Bitumen shortage had in the past delayed the implementation of roads maintenance and construction projects. It is forecasted that the national shortage would continue.
	Water Services	Insufficient capacity at Stellenbosch WWTW
		Insufficient water supply in Franschhoek during the summer
		Ongoing pipe burst throughout the WC024 due to ageing of infrastructure
		Lack of support from support functions/departments

Table 86: Performance challenges per directorate/functional area

3.6 DEVELOPMENT AND SERVICE DELIVERY PRIORITIES AND THE PERFORMANCE TARGETS SET FOR 2012/13

The main development and service delivery priorities for 2012/13 forms part of the Municipality's top layer SDBIP for 2012/13 and are indicated in the table below:

3.6.1 A SAFE TOWN

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL143	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3
TL69	Quarterly submission of Occupation Health and Safety Committee reports per directorate.	# of reports submitted by relevant directorate	All	4	1
TL202	Establish dedicated land invasion capacity by end of December 2012	% of establishment	All	100%	0%
TL192	Establish visible Law enforcement patrols in CBD areas and rural areas.	# of safety plans	All	0	0
TL195	Review the Public safety plan every 6 months and report on the past events.	# of reports	All	2	0
TL193	Monitor private security agencies by means of the perimeter clock	# of reports submitted	All	4	1
TL200	Prepare a business case in cooperation with other agencies to establish an integrated law enforcement system by end of December 2012	% of completion	All	100%	0%
TL201	Strengthen in-house asset and facility security capacity by end of December 2012	% completion as indicated on a Standard operation plan	All	100%	0%
TL204	Develop a Fleet Systems Policy to streamline fleet process by December 2012	% of completion	All	100%	0%
TL203	Coordinate all public event applications received within a 48 hour period.	# of applications received	All	0	0
TL191	Monitor cctv cameras in the Greater Stellenbosch.	# of monitoring captured in control room register	All	0	0
TL187	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3
TL68	Quarterly submission of Occupation Health and Safety Committee reports per directorate.	# of reports submitted by relevant directorate	All	4	1
TL168	Quarterly submission of Occupation Health and Safety Committee reports	# of reports submitted by relevant directorate	All	4	1

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	per directorate.				
TL185	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3
TL186	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3
TL156	Mitigate fraud and corruption	# of reports submitted	All	4	1
TL155	Reports on internal audit processes	# of processes created	All	4	1
TL154	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3
TL142	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3
TL58	Quarterly submission of Occupation Health and Safety Committee reports per directorate.	# of reports submitted by relevant directorate	All	4	1
TL188	Monthly Health and Safety report per department within the relevant directorate.	# of reports submitted by relevant directorate to OHS section	All	12	3

Table 87: Service Delivery Priority 12/13: A safe town

3.6.2 A SKILLED AND CUSTOMER FOCUSED ADMINISTRATION

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL77	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. Namely post levels 1-3	# of report on appointments in relation to equity targets	All	0	0
TL72	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the quarterly individual performance assessment per manager/head within the directorate	# of employees measured	All	0	0
TL67	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL75	Implementation of job creation by means of capital projects and reported to the LED department on a monthly basis	# of jobs created	All	20	0

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL196	Development of a fire management policy/plan by end December 2012	# of policies submitted and approved	All	1	0
TL189	Procure a user friendly queuing system at vehicle registrations centre	# of procured systems	All	1	0
TL76	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. Namely post levels 1-3	# of report on appointments in relation to equity targets	All	0	0
TL71	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the quarterly individual performance assessment per manager/head within the directorate	# of employees measured	All	0	0
TL74	Implementation of job creation by means of capital projects and reported to the LED department on a monthly basis	# of jobs created	All	0	0
TL171	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL173	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. Namely post levels 1-3	# of report on appointments in relation to equity targets	All	0	0
TL172	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the quarterly individual performance assessment per manager/head within the directorate	# of employees measured	All	0	0
TL152	Monthly meetings held with staff	Number of meetings held	All	12	3
TL44	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. Namely post levels 1-3	# of report on appointments in relation to equity targets	All	0	0
TL41	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the	# of employees measured	All	0	0

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	quarterly individual performance assessment per manager/head within the directorate				
TL39	Quarterly submission of Occupation Health and Safety Committee reports per directorate.	# of reports submitted by relevant directorate	All	4	1
TL37	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL158	World design Capital 2014 initiatives strategies	# of interventions	All	4	1
TL157	Establish and maintain mechanisms to promote political/administrative interaction/committees.	# of meetings held	All	12	3
TL170	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. Namely post levels from Director downwards to post levels 1-2	# of report on appointments in relation to equity targets	All	0	0
TL169	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the quarterly individual performance assessment per manager/head within the directorate	# of employees measured	All	0	0
TL162	Development of a customer care strategy	Draft Customer Care strategy to be developed by December 2012	All	100%	0%
TL159	Establish and maintain a meaningful, directed relationship with Stellenbosch University	# of interventions	All	0	0
TL164	Leadership development	# of leadership meetings with employees between the post levels of the director and post levels 5	All	4	1
TL160	Functional audit committee activities measured by the number of meetings per annum by December 2012	# of meetings held	All	4	1
TL161	Risk based audit plan approved by July 2012	Plan approved	All	1	1
TL167	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL38	Quarterly submission of Occupation Health and Safety Committee reports per directorate.	# of reports submitted by relevant directorate	All	4	1

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL43	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan. Namely post levels 1-3	# of report on appointments in relation to equity targets	All	0	0
TL40	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the quarterly individual performance assessment per manager/head within the directorate	# of employees measured	All	0	0
TL36	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL42	Implementation of job creation by means of capital projects and reported to the LED department on a monthly basis	# of jobs created	All	0	0
TL153	Completion of the workflow process on Collaborator for the business licences and the utilisation thereof by all affected disciplines	# of workflow processes completed	All	4	1
TL55	Electronic acknowledgement of receipts to all incoming correspondence	Respond to 95% of all electronic correspondence within 48 hours	All	95%	95%
TL56	Feedback given and amendments made to decentralized register procedures in accordance with the audit report	% completed	All	4	1
TL54	Monthly meetings held with staff	Number of meetings held	All	12	3
TL53	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. projects by June 2013	% of budget spent	All	100%	0%
TL163	Address community mobilization activities while addressing the projects as indicated in the IDP	# of interventions	All	0	0
TL165	Strengthen the role of communities by facilitating ward based or area based development plans	# of interventions	All	22	0
TL1	Targeted skills development measurement by monitoring the implementation of the workplace skills plan by June 2013	% of budget spent	All	100%	0%
TL2	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment	# of report on appointments in relation to equity targets	All	4	1

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	equity plan, namely post levels 1-3				
TL225	Submit Mid-year SDBIP report to Directors forum, Executive Mayor, Municipal Website by January annually.	# of reports submitted	All	1	0
TL224	Submit Quarterly SDBIP report to Directors forum, Executive Mayor, Municipal Website within five days after the end of the quarter.	# of reports submitted	All	4	1
TL226	Submit Annual SDBIP report to Directors forum, Executive Mayor, Municipal Website by October annually.	# of reports submitted	All	1	0
TL223	Submit Monthly SDBIP and user reports to Directors forum by the 20th of each Month.	# of reports submitted	All	12	3
TL227	Submit of quarterly status report on the implementation of the Individual Performance to Directors forum, Municipal Manager & Executive Mayor.	# of reports submitted	All	4	1
TL228	Submit performance contracts of senior managers and scorecards to Municipal Website before the end of August annually.	# of reports submitted	All	0	0
TL10	Develop and implement a Performance Management System that is aligned to the IDP by the end of June 2013 for all employees from directors to post level 2	% of implemented	All	100%	0%
TL11	Capture all hardcopy employee files on the electronic document management system by the end of June 2013	# of files captured	All	0	0
TL12	Comprehensive employee files to be in place for all staff by the end of June 2013	# of files compiled	All	0	0
TL7	Safe keeping, maintenance and disposal of all records through quarterly inspections	# of inspections	All	4	1
TL14	Compilation of ward plans by July 2012	# of ward plans	All	22	22
TL15	Start annual review process of the IDP by September 2012 and submission for approval by December 2012	Annual review of IDP	All	1	0
TL3	Complete and update of the municipal website for public discussion by August 2012 and submissions for approval by the end December 2012 with current information	% completed	All	100%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL4	Publish external newsletter issued	# of newsletters	All	12	1
TL5	Publish internal newsletter issued	# of newsletters	All	12	1
TL6	Submit revised IDP and SDBIP plan by end of August 2012	# of plans submitted	All	1	1
TL70	Compilation of climate survey questionnaire before end of July 2012	# of questionnaires compiled and submitted	All	1	1
TL8	Handle all labour related cases within the Bargaining Council framework	% of all disciplinary cases handled	All	4	1
TL16	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL13	Quarterly reports on the trends identified from exit interviews to assist with employee retention	# of reports submitted	All	4	1
TL9	Quarterly report of Collaborator usage to the Director's Forum and Municipal Manager	# of reports	All	4	1
TL73	Implementation of job creation by means of capital projects and reported to the LED department on a monthly basis	# of jobs created	All	0	0
TL80	By-law review/development	# of policies submitted and approved	All	0	0
TL78	Initiate the compliance register by July 2012	# of registers initiated	All	1	1
TL79	Policy review/development	# of policies submitted and approved	All	0	0
TL57	Develop a clothing standard for the organisation by July 2012	# of standards submitted for approval	All	1	1
TL66	Develop a policy booklet for staff by December 2012	# of booklets developed	All	1	0
TL17	Monitoring of Performance Management within the directorate for managers and heads reporting directly to the director, in relation to the Monthly Key Performance Indicators registered; and - the quarterly individual performance assessment per manager/head within the directorate	# of employees measured	All	0	0
TL65	Draft Diversity plans by December 2012	# of plans	All	1	0
TL61	Establishment of an EE Committee by August 2012	# of committees established	All	1	1
TL63	Review of Induction programme by December 2012	# of plans	All	1	0
TL64	Review of Recruitment and Selection policy by December 2012	# of policies	All	1	0
TL62	Submission of EE report by Sept 2012	# of reports submitted	All	1	1

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL59	Submission of Recruitment and Selection reports	# of reports submitted	All	4	1
TL60	Submission of vacant /budgeted posts report per line department	# of reports submitted	All	5	1
TL122	Develop and submit Language policy	# of policies completed	All	1	0
TL121	Purchasing and Replacement of IT infrastructure platforms by June 2013	% of completion	All	100%	0%

Table 88: Service Delivery Priority 12/13: A skilled and customer focused administration

3.6.3 A TREASURED, PROTECTED ENVIRONMENT

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL219	Upgrade of parks in Kayamandi, Cloeteville, Jamestown and Kylemore by December 2012	% of progress reports	All	100%	0%
TL217	Establish an eco-centre at Jan Marais Nature Reserve by December 2012	# of established eco-centres	All	100%	0%
TL218	Implement phase 4 of greening master plan at town entrances by December 2012	# of plans	All	1	0
TL216	Establish a hiring system in all existing halls and submit quarterly reports by December 2012	# of hiring systems	All	0	0
TL207	Design a new model for sports field management by December 2012	# of models designed	All	1	0
TL206	Create innovative ideas to deal with the phasing out of Municipal Plantations by December 2012	# of interventions	All	0	0
TL27	Complete the housing waiting list on Collaborator by the end of June 2013	% of waiting list captured	All	100%	0%
TL26	Complete a project plan for the revision of the Stellenbosch WC024 SDF by the end of December 2012	# of plans compiled and submitted	All	1	0
TL32	95% Enforcement land use transgressions upon reception	% of transgressions processed	All	4	1
TL35	Apply green building development management practices	# of green building development management practices reflected in register.	All	0	0
TL141	Develop detailed overlay regulations recognizing the specific characteristics and land use management requirements of different areas and places.	Register with compiled regulations	All	0	0
TL31	Identification of heritage sites	Compiled and updated Heritage register	All	4	1
TL34	Implement building development	% implementation of system	All	100%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	management system by December 2012				
TL33	Implement of area-based land use	% implementation of system	All	100%	0%
	Management system by December 2012				
TL30	Manage cultural landscapes and heritage assets	Report of submissions to Heritage Western Cape per quarter	All	4	1

Table 89: A treasured, protected environment

3.6.4 AFFORDABLE DIGNIFIED LIVING

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL23	Construction at Kayamandi Watergang Phase 2 (106 Dwelling constructions and 180 service sites) by end of June 2013	% of construction completed	All	100%	0%
TL24	Finalise Idas Valley, Erf 11330 & Lindida 1 (planning) MOU by the end of December 2012	# of MOU's signed	All	2	0
TL25	Formalize partnership (MOU) with the Shack Dwellers International by the end of December 2012	# of MOU's signed	All	1	0
TL140	Submission of UISP application for Langrug by March 2013	# of UISP applications submitted	All	1	0

Table 90: Affordable dignified living

3.6.5 EFFICIENT INFRASTRUCTURE AND SERVICES

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL232	Regular interaction with Portfolio Chairperson	# of meetings	All	12	3
TL210	Extend the library services in the rural areas to include library services to the public of Klappmuts(Include new areas) by December 2012	% of extension to identified areas by means of process flow	All	100%	0%
TL205	Implement job creation EPWP's and report to the LED department on a monthly basis on projects	# of jobs created	All	0	0
TL212	Implement an Arbour Month programme by October 2012	# of programmes	All	1	0
TL208	Design an electronic system for burial record keeping by December 2012	# of system designed	All	0	0
TL209	Prepare operational plans to manage and maintain all public amenities	# of operation plans developed	All	0	0

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	and to make them accessible by December 2012				
TL211	Finalisation of process for extension of burial space in Onder-Papegaaiberg, Kylemore and La Motte by December 2012	% of extension to identified areas by means of process flow	All	100%	0%
TL215	Conduct an audit of Municipal Town Halls by December 2012, namely Stellenbosch and Franschhoek Halls	# of audits	All	1	0
TL214	Upgrade Youth House in Franschhoek by December 2012	% of progress	All	100%	0%
TL213	Upgrade greenhouse in Municipal Nursery by December 2012	% of progress	All	100%	0%
TL85	Promote an Asset Management Approach	# of updated inventories	All	0	0
TL86	Improved management through information and process management	# of new process implemented	All	0	0
TL87	Provide, by September 2012, motivation for an optimally functional staff structure	# of staff obtained	All	0	0
TL82	Implement job creation EPWP's and report to the LED department on a monthly basis on projects	# of jobs created	All	0	0
TL83	Regular interaction with Portfolio Chairperson	# of meetings	All	12	3
TL81	Collaboration with all spheres of Government - Cape Wine lands District Municipality - private partnerships	# of Memorandums of Understanding/Agreements/Co-operative agreements entered into	All	0	0
TL84	Keep abreast of good practices in the industry, innovation in service delivery	# of interventions	All	0	0
TL118	(Rehab) Upgrade of disposal site Capital Project by June 2013	% progress vs. planned progress	All	100%	0%
TL104	Adopt water conservation and demand management (WCDM) measures to make	# of measures implemented	All	0	0
	effective and efficient use of water resources during the financial year				
TL120	Bulk water supply line and pump station: Franschhoek Capital Project by June 2013	% of expenditure	All	100%	0%
TL103	Complete the pipe replacement programme in terms of the budget available during the financial year by June 2013	% of expenditure	All	100%	0%
TL133	Construction of Main Road - Klampmuts - PGWC Discretionary grant by June 2013	% of expenditure	All	100%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL130	Construction of Major Roads by June 2013	% of expenditure	All	100%	0%
TL114	Electricity Demand Side Management Capital Project by June 2013	% progress vs. planned progress	All	100%	0%
TL112	Ensure improved traffic flow, e.g. By undertaking detail studies, planning and design projects by June 2013, resulting from recommendations of the Traffic Signal Optimisation Study by June 2013	# of Projects	All	0	0
TL89	Ensure optimal expenditure of the Capex and Opex budgets	% of budget spent	All	100%	0%
TL96	General system improvement by June 2013	# of projects	All	0	0
TL110	Implement the critical maintenance and rehabilitation projects from the Pavement Management System (PMS) in terms of budget available by June 2013	# of projects	All	0	0
TL111	Implementation of NMT projects according to the NMT Plan and available budget by June 2013	# of Projects	All	0	0
TL102	Improve Green Drop score of 2010/11 through the implementation of various capital projects and operational processes by June 2013	Green Drop score	All	4	0
TL109	Initiate multiyear projects as identified from the Comprehensive Integrated Transport Plan (CITP) for Stellenbosch and make future budget provision by June 2013	# of projects implemented	All	0	0
TL125	Installation of Boord - Switchgear (11kV) by June 2013	% of expenditure	All	100%	0%
TL134	Installation of Bulk Sewer pipe - Klappmuts - PGWC Discretionary grant by June 2013	% of expenditure	All	100%	0%
TL135	Installation of Bulk water supply - Jamestown by June 2013	% of expenditure	All	100%	0%
TL136	Installation of Bulk water supply pipe & 5 MI Reservoir: Kayamandi by June 2013	% of expenditure	All	100%	0%
TL129	Installation of Construction of Tar Sidewalks by June 2013	% of expenditure	All	100%	0%
TL131	Installation of Development of New Cell for landfill site by June 2013	% of expenditure	All	100%	0%
TL124	Installation of Hoffman - Switchgear (11kV) by June 2013	% of expenditure	All	100%	0%
TL123	Installation of Karendal - Switchgear (11kV) by June 2013	% of expenditure	All	100%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL132	Installation of Specialized Vehicles - 1 Refuse Compactor by June 2013	% of expenditure	All	100%	0%
TL128	Installation of Traffic Signal Control: WC024 (SCOOT) by June 2013	% of expenditure	All	100%	0%
TL137	Installation of Upgrade and bulk replace water meters by June 2013	% of expenditure	All	100%	0%
TL127	Installation of Upgrading of Main Roads and Streets by June 2013	% of expenditure	All	100%	0%
TL126	Installation of Watergang Supply Cables by June 2013	% of expenditure	All	100%	0%
TL95	Introduce traffic calming projects by June 2013	# of projects	All	0	0
TL105	Maintain or improve Blue Drop status for 2011/12 through the implementation of various capital projects and operational processes by June 2013	# of awards received	All	5	0
TL115	Markotter University 66KV Cable - Phase 1 & 2 by June 2013	% progress vs. planned progress	All	100%	0%
TL106	Monitoring and ensuring of drinking water quality to appropriate standards on a daily basis by June 2013	# of samples taken; % of samples passed	All	0	0
TL107	Monitoring and ensuring of effluent quality to appropriate standards on a daily basis by June 2013	% of samples passed	All	0	0
TL113	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. Development services by June 2013	% of budget spent	All	100%	0%
TL90	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. Electricity projects by June 2013	% of budget spent	All	100%	0%
TL93	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. Solid Waste management projects by June 2013	% of budget spent	All	100%	0%
TL108	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. Transport, roads and storm water by June 2013	% of budget spent	All	100%	0%
TL97	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. Water services by June 2013	% of budget spent	All	12	3
TL88	Provide excellent customer care throughout the service delivery area	# of interventions	All	0	0
TL99	Provision of cleaned piped water to all formal HH within 200m from the household	% of delivery	All	0%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL91	Provision of electricity that are connected to the national grid to all formal households in the service delivery area by June 2013	% connected	All	100%	0%
TL94	Provision of refuse removal, refuse dumps and solid waste disposal to all formal households by June 2013	% of delivery	All	100%	0%
TL98	Provision of sanitation services limited to domestic waste water and sewerage disposal to formal households by June 2013	% of delivery	All	0%	0%
TL117	Reconstruction of Roads Capital Project by June 2013	% progress vs. planned progress	All	100%	0%
TL92	Review and monitor monthly consumption statistics to minimise electricity network losses by June 2013	# of reports submitted	All	4	1
TL100	Upgrade of Stellenbosch Waste Water Treatment Works (WWTW) in terms of budget available by June 2013	% expenditure	All	100%	0%
TL101	Upgrade of the Wemmershoek Waste Water Treatment Works (WWTW) in terms of budget available by June 2013	% of construction completed	All	100%	0%
TL119	Upgrade of WWTW: Klapmuts Capital Project by June 2013	% of expenditure	All	100%	0%
TL116	Upgrading of Main Roads and Streets Capital Project by June 2013	% progress vs. planned progress	All	100%	0%
TL229	Regular interaction with Portfolio Chairperson	# of meetings	All	12	3
TL231	Regular interaction with Portfolio Chairperson	# of meetings	All	12	3
TL144	Compile draft Strategic plan for council owned property(land & buildings) by June 2013	# of plans compiled and submitted	All	1	0
TL147	Complete phase 1 of Klapmuts Community Centre by June 2013	% of construction completed	All	100%	0%
TL150	Completion of Basic services in informal settlements (30% of identified need will be addressed due to available budget) by June 2013	% of services rendered /completed	All	100%	0%
TL50	Completion of erf 2124 Klapmuts housing project by June 2013 (99 Dwelling Constructions and 619 service sites)	% of construction completed for dwellings and service sites	All	100%	0%
TL148	Completion of erf 342 Klapmuts housing project by June 2013	% of construction completed	All	100%	0%
TL151	Completion of Informal Settlement Living Improvement by June 2013	% of construction completed	All	100%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL51	Completion of Longlands Vlotenburg housing project by June 2013 (Constructions of 106 service sites)	% of construction completed	All	100%	0%
TL149	Completion of Watergang Phase2 housing project by June 2013	% of construction completed	All	100%	0%
TL146	Finalize planning phase of new office accommodation at Stellenbosch Headquarters by June 2013	% of plan completed	All	100%	0%
TL52	Informal Settlement Living Improvement (30% of identified need will be addressed due to available budget) by June 2013	% of services rendered /completed	All	100%	0%
TL145	Workshop and submit a draft policy on the management of municipal owned fixed properties by December 2012	# of policies submitted and approved	All	1	0
TL46	Approval of the N4 Business Plan by end June 2013 for Wemmershoek (planning)	# of plans submitted	All	1	0
TL47	Complete the repair to the roofs at The Steps/Orleans housing project, Cloeteville by end June 2013	% of repairs done	All	100%	0%
TL235	Quarterly submit a management report with division statistics	# of reports submitted	All	4	1
TL233	Regular interaction with Executive Mayor/ Portfolio Chairperson (Must read Executive Mayor/Speaker for adjustment budget amendment).	# of meetings	All	12	3
TL234	Quarterly submit a management report with division statistics	# of reports submitted	All	4	1
TL230	Regular interaction with Portfolio Chairperson	# of meetings	All	12	3
TL45	Process 70% of applications within the statutory time frames as indicated by the Land use planning ordinance.	% of applications processed	All	4	1
TL49	Quarterly submission of Occupation Health and Safety Committee reports per directorate.	# of reports submitted by relevant directorate	All	4	1
TL48	Provide clear 50% spatial direction to development in the municipal area	% of direction provided	All	50%	0%

Table 91: Efficient infrastructure and services

3.6.6 OPPORTUNITY FOR ENTERPRISE DEVELOPMENT, CREATIVITY AND BUSINESS DEVELOPMENT

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL138	Presentation of LED Management	# of policies compiled and submitted	All	1	0

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	policy to council				

Table 92: Opportunity for enterprise development, creativity and business development

3.6.7 RESPONSIBLE DEVELOPMENT MANAGEMENT

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL194	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. projects by June 2013	% of budget spent	All	100%	0%
TL18	Submit a comprehensive management plan for Lapland (Cloetessville) by the end June 2013	# of plans submitted	All	1	0
TL22	Approval of the N4 Business Plan by end June 2013 for La Mote (planning)	# of plans submitted	All	1	0
TL21	Compile and submit maintenance plans for hostels and Beltana for approval by the end of June 2013	# of plans compiled and submitted	All	100%	0%
TL139	Compile and submit maintenance plans for hostels and Beltana for approval by the end of June 2013	# of plans compiled and submitted	All	100	0
TL222	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. projects by June 2013	% of budget spent	All	100%	0%
TL220	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. projects by June 2013	% of budget spent	All	100%	0%
TL19	90% Completion of the Integrated Zoning Scheme by the end of June 2013	% of zoning scheme completed	All	100%	0%
TL20	80% of all building plan applications processed within 30 days after reception	% of applications processed	All	100%	0%
TL221	Monthly monitor and review of Capex and Opex spending on the budget i.t.o. projects by June 2013	% of budget spent	All	100%	0%

Table 93: Responsible development management

3.6.8 SOUND AND SUSTAINABLE MUNICIPAL FINANCIALS

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
TL197	Revamping of single quarters for 3 fire staff houses by end of June 2013	% completion	All	100%	0%
TL198	Establish an appropriate vehicle testing centre by end of June 2013	% completion	All	100%	0%
TL199	Upgrade vehicle impoundment facility	% completion	All	100%	0%

Ref	KPI	Unit of Measurement	Wards	Annual Target	Target
	by end of June 2013				
TL190	Issue all staff with the requisite statutory equipment.	# Of requisite statutory equipment.	All	0	0
TL182	Approval of MTREF Annual Budget by end June 2013	Approved MTEF Annual Budget by end June	All	1	0
TL174	Compilation and submission of the Adjustment Budget in order to effect external funding "roll-over" capital projects by end August 2012	Adjustment budget compiled and submitted	All	1	1
TL180	Compilation of accurate and credible annual financial statements by 31 August	Accurate and credible annual financial statements by 31 August	All	1	1
TL179	Accurate and credible monthly reporting on the state of the municipality's financial affairs duly signed by the MM and Mayor	# Of reports	All	12	3
TL184	Debtors Payment Rate	% Payment rate of service debtor	All	100%	0%
TL178	Prepare the mid-year budget and financial performance report of sec72 of the MFMA and submit to council by January 2013	Sec 72 report submitted to council	All	1	0
TL175	Prepare and submit the annual adjustment budget to council for approval by February 2013	Adjustments Budget submitted to council	All	1	0
TL176	Prepare and submit the draft main budget to council for approval by May 2013	Compilation of draft main budget to Council	All	1	0
TL183	Review of concept budget and related policies by March 2013	# of budgets / policies reviewed and adjusted	All	17	0
TL177	Submission of Budget process plan by 31 August 2012	Plan submitted	All	1	1
TL181	The achievement of an unqualified Auditor General Report (financial) by December 2012	Auditors report	All	1	0
TL29	Submit revised tariff structure for property transactions to Council by the end of March 2013	# of revised tariff structures	All	1	0
TL28	Compile and submit a draft policy on the management of municipal owned fixed properties for consideration by Council by the end of December 2013	# of policies submitted and approved	All	1	0
TL166	Signing of performance agreements with all Section 57 and fixed term contract personnel	# of signed agreements	All	6	6

Table 94: Sound and sustainable municipal financials

COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, includes details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

3.7 NATIONAL KEY PERFORMANCE INDICATORS – BASIC SERVICE DELIVERY AND LOCAL ECONOMIC DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the following two National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA& INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011/12
Basic Service Delivery		
The number of households earning less than R 1 100 per month with access to free basic services	Information not received yet	12 304
The percentage of households with access to basic level of water	99.55	99.57
The percentage of households with access to basic level of sanitation	99.55	99.56
The percentage of households with access to basic level of electricity	87.68	85.68
The percentage of households with access to basic level of solid waste removal	90.82	90.82
Local economic development		
The number of jobs created through municipality's local economic development initiatives including capital projects	EPWP Job Creation 382	EPWP Job Creation 368

Table 95: National KPIs – Basic Service Delivery and Local Economic Development

Note: The percentages in the table above shows percentages of erven within the urban edge areas.

3.8 WATER PROVISION

Stellenbosch Municipality supplies water to the entire WC024 area through a network and infrastructure consisting of 46 reservoirs and water towers, 25 water pump stations, 29 pressure reducing valve installations, 492 kilometres of pipeline and 51 water supply zones. The system is fully controlled and operated by a telemetry system.

The bulk water input into the water network was 12 428 331 kl with an annual average daily demand of 34 946kl per day. 42 % of the water supplied are purified from own water sources at the Idas Valley and Franschhoek water purification plants. The balance is supplied by City of Cape Town and the Paradyskloof water treatment plant where raw water supplied by Department of Water Affairs is purified. The water losses measured for the 11/12 financial year was 22.3%. A comprehensive WC&DM strategy which includes a 10 year financial plan has been developed. The strategy has two goals. The municipality will

prioritise the implementation of WC&WDM and ensure ongoing planning, management, monitoring and an enabling environment.

The following planning documents have been updated to include the latest planning; Water Master Plan, Water Service Development Plan and Water Services Audit Report, Bulk Water Supply Improvements (Sources Study) and the Pipe Replacement Study and Model.

All planning, projects and daily operations are done in line with the above studies and guidelines.

Stellenbosch Municipality also achieved Blue Drop Certification for 4 of its 5 water supply systems, with a total Blue Drop score of 95.56. The municipality achieved a platinum award for the Stellenbosch Water Supply System, for achieving Blue Drop accreditation three times (since the program's inception in 2009).

3.8.1 SERVICE STATISTICS – WATER SERVICES

Below is totals per Sector usage:

Total Use of Water by Sector (cubic meters)					
Year	Agriculture	Forestry	Industrial	Domestic	Unaccountable water losses
2010/11	0	0	1534020	4660459	2605
2011/12	0	0	1751886	5580310	2522

Table 96: Total use of water by sector (cubic meters)

Water is probably the most fundamental and indispensable of natural resources – fundamental to life, the environment, food production, hygiene and power generation.

Poverty reduction and improved water management are inextricably linked. Section 4B of the Constitution lists water and sanitation services limited to potable water supply systems and domestic wastewater and sewerage disposal systems as a local government function. Basic water is defined as 25 litres of potable water per day supplied within 200 meters of a household.

The current replacement cost of the water infrastructure of SM is R840 746434 of which 52.3% of the value of the water infrastructure has been consumed. About 38.6% of the water supply infrastructure is in a poor or very poor condition and the condition backlog is in the order of R324.8 million.

Frequent burst mains are of great concern and are being prioritised in the capital budget each year. Water Services has repaired 254 burst mains in the 2011/12 financial year.

3.8.2 WATER SERVICE DELIVERY LEVELS

As a priority it is the responsibility of SM to make sure that adequate and appropriate investments are made to ensure the progressive realisation of the right of all people in its area of jurisdiction to receive at least a basic level of water and sanitation services. Whilst the provision of basic water services is the most important and immediate priority, WSAs is expected to provide intermediate and higher levels of services (for example, water on-site) wherever it is practical and provided it is financially viable

and sustainable to do so.

All water services provided by SM to consumers within their Municipal Management Area are linked to the Municipality's Tariff Policy and Tariff Bylaws and poor households are incorporated through SM's Indigent Policy.

The large number of residents in the lowest income groups (living in informal areas) places a major challenge on SM to provide suitable housing. SM works towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system.

All the formal households in the urban areas of SM's Management Area are provided with water connections and waterborne sanitation facilities inside the houses (Higher level of service). Communal standpipes and ablution facilities are provided in the informal areas as a temporary emergency service. SM takes note of the fact that communal standpipes represent probably the weakest part of a network's water supply services.

Standpipes are often constructed in ways that cannot withstand excessive use (and abuse) and are often neglected in terms of operation and maintenance, adversely affecting the health of its already vulnerable and poor users. Communal standpipes are also used by poor households who normally don't pay for water.

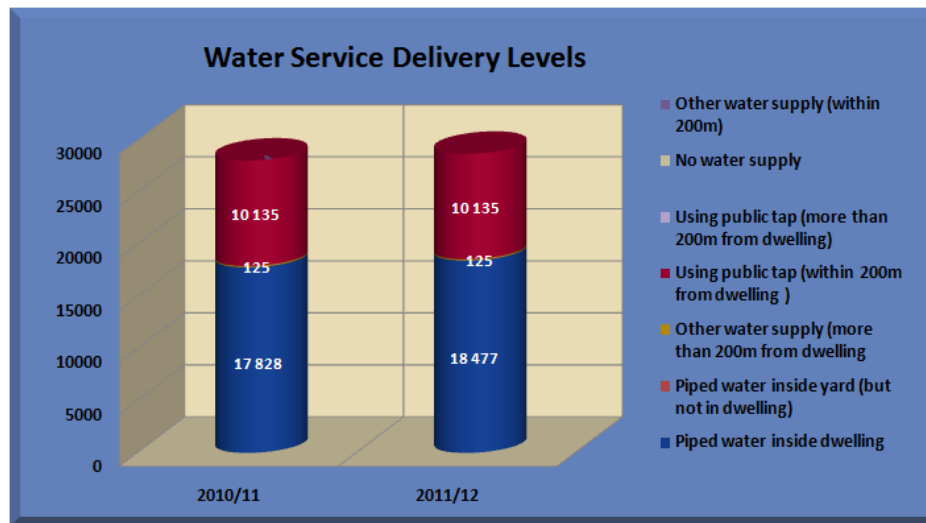
Below is a table that specifies the different water service delivery levels per households for the financial years 2010/11 and 2011/12:

Description	2010/11	2011/12
	Actual	Actual
<u>Household</u>		
<u>Water: (above minimum level)</u>		
Piped water inside dwelling	17828	18477
Piped water inside yard (but not in dwelling)	Not applicable	Not applicable
Using public tap (within 200m from dwelling)	10135	10135
Other water supply (within 200m)	Not applicable	Not applicable
Minimum Service Level and Above Sub-total	27 963	28 612
Minimum Service Level and Above Percentage	99.55	99.57
<u>Water: (below minimum level)</u>		
Using public tap (more than 200m from dwelling)	Not applicable	Not applicable
Other water supply (more than 200m from dwelling)	125	125
No water supply	Not applicable	Not applicable
Below Minimum Service Level Sub-total	125	125
Below Minimum Service Level Percentage	0.45	0.43
Total number of households (formal and informal)	28 088	28 737

Table 97: Water service delivery levels

Note: Previous figures were based on the total number of consumers; the figure has been corrected and now only includes the total number of households.

The graph below shows the different water service delivery levels per total households and the progress per year:



Graph 7: Water Service Delivery Levels

3.8.3 CAPITAL EXPENDITURE – WATER SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
	R'000			%
Reservoir- Paradyskloof	4 000	4 600	3 965	35
Reservoir	4 000	2 432	1 676	2 324
Water pipe replacement	2 000	6 800	6 739	-4 739
Bulk service upgrading: Franschoek	1 000	2 000	2 012	-1 012

Table 98: Capital Expenditure 2011/12: Water Services

For the 2011/12 financial year 89% of the capital budget for water was spent.

3.9 WASTE WATER (SANITATION) PROVISION

The main focus for the 2011/12 financial year was to upgrade the existing Wemmershoek Wastewater Treatment works, which will be completed by December 2013 and to refurbish the existing Stellenbosch Wastewater Treatment Works, which will be completed by May 2013. As part of the refurbishment of the Stellenbosch Wastewater Treatment Works, an application for Regional Bulk Infrastructure Grant (RBIG)-funding for the planned extension of the works was completed and the Department of Water Affairs (DWA) approved an initial sum of R 35 million towards this project. The refurbishment of the external Sewerage Pump Stations have also been completed, thereby substantially reducing the risk of possible sewage spills from the reticulation network into rivers and the stormwater system. The Sanitation Master plans have also been updated, and refurbishments upgrades are in line with the master planning. Extensive external training of process staff, with the aim of achieving compliance

with the legal requirements of operating wastewater treatment works, has been completed.

The current replacement cost of the sewer infrastructure of SM is R652 947 978 of which 54.5% of the value of the sewer infrastructure has been consumed. About 43.4% of the sanitation infrastructure is in a poor or very poor condition and the condition backlog is in the order of R283.4M. The bulk of the backlog is made up of the sewer reticulation assets and the Stellenbosch WWTW.

3.9.1 SANITATION SERVICE DELIVERY LEVELS

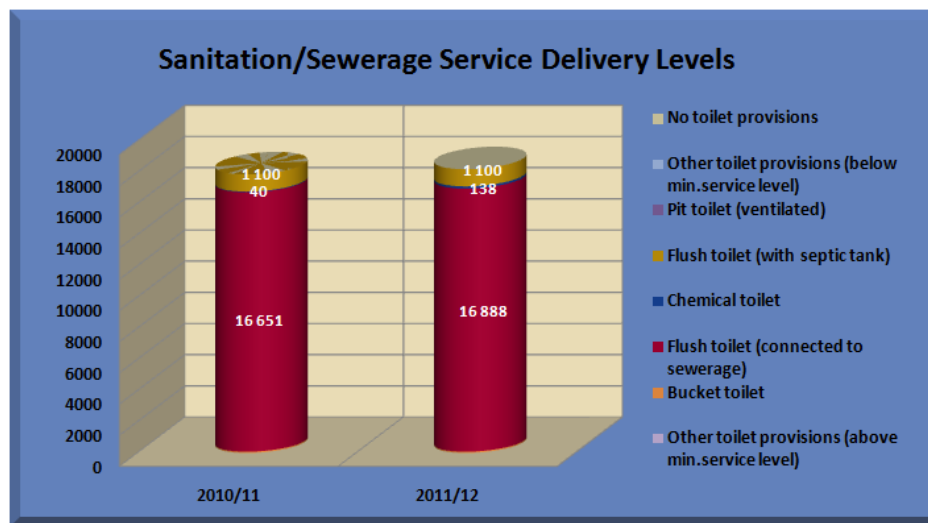
Below are a table that specifies the different sanitation service delivery levels per households for the financial years 2010/11 and 2011/12:

Description	2010/11	2011/12
	Actual	Actual
Household		
<u>Sanitation/sewerage:</u> (above minimum level)		
Flush toilet (connected to sewerage)	16651	16888
Flush toilet (with septic tank)	+/- 1100	+/- 1100
Chemical toilet	40	138
Pit toilet (ventilated)	0	0
Other toilet provisions (above minimum service level)	0	0
Minimum Service Level and Above Sub-total	17791	18126
Minimum Service Level and Above Percentage	99.55	99.56
<u>Sanitation/sewerage:</u> (below minimum level)		
Bucket toilet	80	80
Other toilet provisions (below minimum service level)	0	0
No toilet provisions	0	0
Below Minimum Service Level Sub-total	80	80
Below Minimum Service Level Percentage	0.45	0.44
Total number of households	17 871	18 206

Table 99: Sanitation service delivery levels

Note: Previous figures were based on the total number of consumers; the figure has been corrected and now only includes the total number of households.

The graph below shows the different sanitation service delivery levels per total households and the progress per year:



Graph 8: Sanitation Service Delivery Levels

3.9.2 CAPITAL EXPENDITURE – SANITATION SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Upgrade Waste Water Treatment Works Wemmershoek	27 179	28 376	17 916	9 263
Refurbishment of Stellenbosch Waste Water Treatment Works	22 000	23 060	18 269	3 731
Specialised vehicles: Sewerage network	500	799	602	-102
Extension of Stellenbosch Waste Water Treatment Works	0	3 000	0	0

Table 100: Capital Expenditure 2011/12: Sanitation Services

Capital expenditure for Sanitation was 66% for 2011/12

3.10 ELECTRICITY

Electricity has become one of the most debated commodities due to the abnormally high increases forced down by NERSA on request from ESKOM. On average, the price of electricity has risen with nearly 100% over the last four years and had an enormous impact on rates and taxes in Local Government.

In addition to the above, electricity is also seen as one of, if not the largest, contributors to the degradation of the Ozone layer, necessitating Local Government to start projects that will ensure a “Greener” environment. This can only be achieved by way of very expensive technologies, which pushes up the price energy generation and distribution even further

On the provision of electricity at household level and the progress being made to redress service backlogs and achieve the National basic standard for Electricity provision by 2014, Stellenbosch has done very good, with all formal households electrified. Free Basic Units are supplied to all registered indigent consumers.

Performance achieved on electricity supply is an estimated availability rate of $\pm 99\%$ with minimum unforeseen failures during the year.

Major towns	Notified Maximum Demand (NMD)	Maximum Demand Growth (NMD)	Maximum Demand Peak (NMD)
Stellenbosch	55	-1	54
Franschhoek	9	-0.8	8.4
Cloetesville	16	-1	14

Table 101: Electricity Notified Maximum Demand

The maximum demand for electricity did not radically increase due to a setback in the economic growth therefore the notified maximum demand with Eskom are still valid for all three intake points. The electricity losses for the year were just below 10% and the Department is continuously striving to reduce such losses.

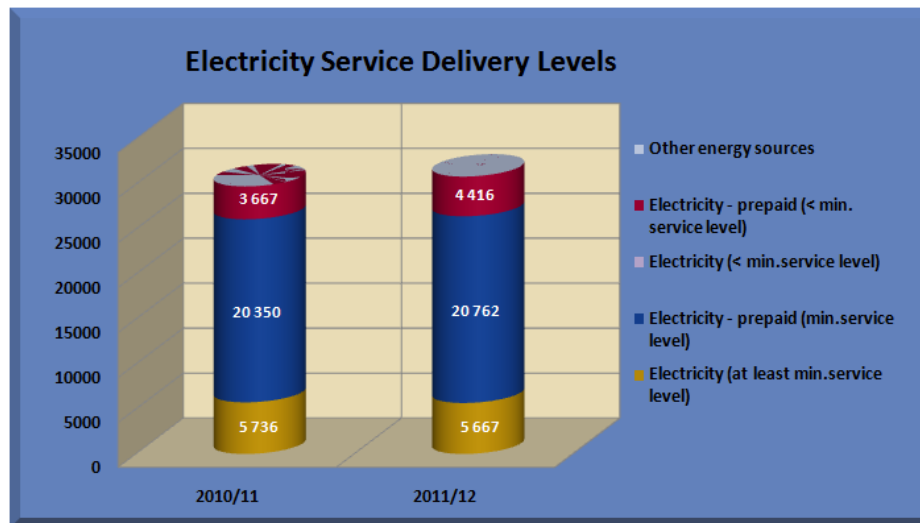
The table below indicates the different service delivery level standards for electricity within the Municipality and includes informal areas:

3.10.1 ELECTRICITY SERVICE DELIVERY LEVELS

Description	2010/11	2011/12
	Actual	Actual
Household		
<u>Energy:</u> (above minimum level)		
Electricity (at least minimum service level)	5736	5667
Electricity - prepaid (minimum service level)	20350	20762
Minimum Service Level and Above Sub-total	26086	26429
Minimum Service Level and Above Percentage	87.68	85.68
<u>Energy:</u> (below minimum level)		
Electricity (< minimum service level)	0	0
Electricity - prepaid (< min. service level)	3 667	4416
Other energy sources	Not applicable	Not applicable
Below Minimum Service Level Sub-total	3 667	4416
Below Minimum Service Level Percentage	12.32	14.32
Total number of households	29 753	30 845

Table 102: Electricity Service Delivery Levels

Below are a table that specifies the different electricity service delivery levels per households for the financial years 2010/11 and 2011/12:



Graph 9: Electricity Service Delivery Levels

3.10.2 CAPITAL EXPENDITURE – ELECTRICITY SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				%
Markotter- University 66kV cable (ND 14) Phase 2	9 548	9 241	4 089	5 459
General system improvements	2 000	3 252	3 008	-1 008
Unie Park Switchgear (NR26)	1 546	1 418	1 406	140
Suidwal: Main sub switchgear replacement	1 200	11 736	11 683	-10 483

Table 103: Capital Expenditure 2011/12: Electricity Services

This budget year the Electricity department concentrated on the renewal and/or upgrading of old equipment and an estimated **80%** of the total capital budget was spent. Provisions were made to extend the medium voltage network in areas with rapid growth with more stable cable and overhead line networks and better and safer control equipment which should result in fewer electricity interruptions.

The capital project for the installation of a 66kV cable was delayed due to a court case resulting from the adjudication of the tender. The project was transferred to the next financial year. Seven (7) substations were totally refurbished with new high voltage switchgear and in major commuter roads the overhead reticulation was replaced with underground systems.

3.11 WASTE MANAGEMENT (REFUSE COLLECTIONS, WASTE DISPOSAL, STREET CLEANING AND RECYCLING)

Refuse removal is completed according to the weekly schedule and 100% of households, industry and other points receive a refuse removal service. 240L Wheelie bins to 100% of our service points are supplied. Delays are experienced when machinery break due to aged fleet Recycling initiatives have been embarked on. A Waste Characterization study has been performed. Construction of new land fill site is in process.

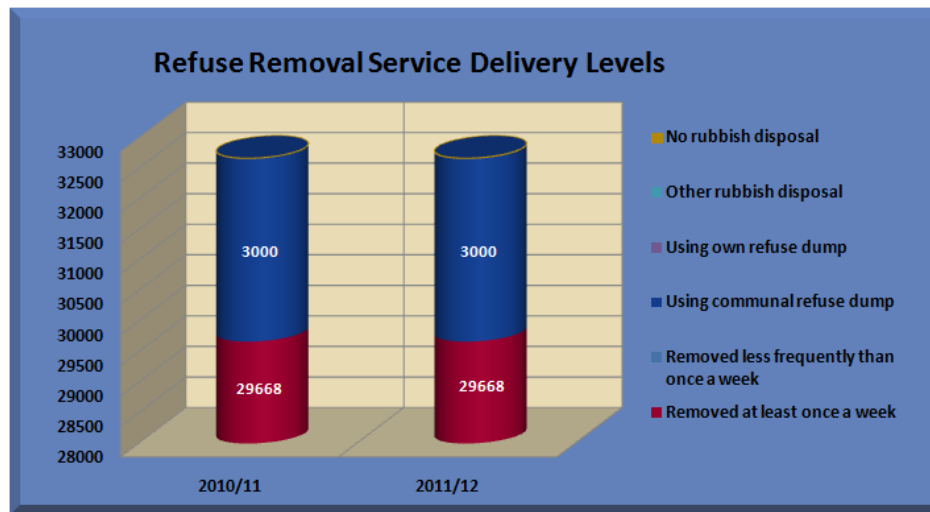
3.11.1 REFUSE REMOVAL (SOLID WASTE) SERVICE DELIVERY LEVELS

The table below indicates the different refuse removal service delivery level standards **within the urban edge area** of the Municipality:

Description	2010/11	2011/12
	Outcome	Actual
Household		
<u>Refuse Removal:</u> (Minimum level)		
Removed at least once a week	29668	29668
Minimum Service Level and Above Sub-total	29 668	29 668
Minimum Service Level and Above Percentage	90.8	90.8
<u>Refuse Removal:</u> (Below minimum level)		
Removed less frequently than once a week	0	0
Using communal refuse dump	3000	3000
Using own refuse dump	Not applicable	Not applicable
Other rubbish disposal	Not applicable	Not applicable
No rubbish disposal	Not applicable	Not applicable
Below Minimum Service Level Sub-total	3000	3000
Below Minimum Service Level percentage	9.2	9.2
Total number of households	32 668	32 668

Table 104: Refuse removal service delivery levels

The graph below shows the different Refuse Removal service delivery levels per total households and the progress per year:



Graph 10: Refuse Removal Service Delivery Levels

3.11.2 CAPITAL EXPENDITURE – WASTE MANAGEMENT SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Refuse disposal site (New Cell)	22 000	15 392	15 503	6 497
Refuse disposal site (Permit Compliance)	2 000	3 342	3 146	-1 146
Specialised vehicles: Solid Waste Management	2 000	1 663	1 663	337
Wheelie bins	500	500	492	8

Table 105: Capital Expenditure 2011/12: Waste Management Services

3.12 HOUSING

New Housing

Digteby Housing Project - servicing of 20 sites and construction of 20 housing units

A private developer called Digteby Trust has donated about 11ha of land to the municipality, as part of their property development. In addition they have made a substantial financial contribution for the development of a subsidised housing project on this land.

Stellenbosch Municipality concluded an agreement with Digteby Trust that allow for 20 houses on this property. The department then embarked on a joint venture with Digteby Trust to give effect to the agreement.

An application to service 20 sites and build 20 subsidised housing units were submitted to Department of Human Settlement and was approved.

During March 2012, the top structures were completed and houses handed over to beneficiaries (see attached pictures).



Klapmuts

The New Housing, via the procurement process, successfully concluded the appointment of Power Construction as the first **turnkey** developer in the Greater Stellenbosch municipal area. This means that the same developer will undertake the provision of internal services as well as the top structures. Although the project was initially designed to accommodate only 536 units, creative densification of the area resulted in an increase in the amount of residential erven to be provided from 536 to a total of 1056. Despite the proposed densification, the dignity of our community will still be maintained.

During the financial year, more than 500 sites were serviced and Council established criteria for the allocation of these sites. The continuation of the servicing of the remainder sites and the building of the first 100 units will take place in the next financial year.

Informal Settlements

The Department of Informal Settlement Management was established during January 2011 to deal primarily with informal settlements and backyarders. The department joined forces with the Community Organisation Resource Centre to develop and eventually conclude a Memorandum of Understanding (MOU). This partnership is premised on the fact that an NGO would strengthen the municipality's public participation as the latter usually operates at grassroots level. Through this partnership the following was achieved, improved storm water management in informal settlements, the relocation of families that were located in the road reserves and the creation of recreational areas which were linked to the communal wash areas.

The department also successfully removed families from Soopjeshoogte and relocated them in La Rochelle, Klapmuts. It also installed a booster pump station and extended pressured water lines to areas in the Langrug informal settlement that did not have access to water.

The department is steadily rolling out the Access to Basic Services (ABS) Programme and is well on its way to meet the nationally required targets of 1 toilet per 5 households and 1 tap per 25 families.

Lastly, this department is strongly involved in community driven enumeration (demographic survey) processes, because the growth of an informal settlements is initially exponential. Its growth however stabilises over time, but then inner movements within the settlement takes over and it is imperative to be up-to-date with all these movements.

Housing Administration

During the period under review, two policies, namely the Staff Rental Housing Policy and the Emergency Housing Policy, were drafted and submitted to Council for approval. Both policies were referred back for review. Guidelines for the Implementation of the Emergency Housing Policy were also finalized during this period.

Committees were democratically elected from Cloeteville and LAP land to represent the tenants of the various blocks of flats and to partner with the municipality in formulating a strategy for the management of rental stock. South African Police Services (SAPS) were brought on board to attend meetings with the committees in order to address their safety and security concerns. This led to a period of enhanced visible policing with positive outcomes in that crime statistics dropped dramatically. Names of all tenants where illegal activities were suspected were given through to SAPS.

During October 2011 the Department was instructed to continue with the Collaborator Waiting List as its official information system with regard to housing. In order for this to be attained, a strategic plan was drawn up and implemented. In the process ± 18 000 waiting list records were scrutinized and sanitized. All major outcomes contained within the strategic plan have been met with the exception of the integration of the information contained in the older Housing Administration Waiting List System (H.A.W.L.S) and the Collaborator Waiting List System and the public process of verification of data on the integrated system.

In the period under review, the promotion of home ownership by transferring properties previously purchased by way of the National Housing Subsidy Scheme proved to be a challenge. Notwithstanding the Department having completed and signed 521 transfer documents, only 98 transferred could be registered at Deeds office. This was largely due to the beneficiaries not being able to obtain rates clearance certificates as a result of outstanding municipal debts. The Department is actively engaging with the Beneficiaries to ensure that they are aware of outstanding municipal charges and are completing acknowledgment of debt forms.

The staff at Housing Administration celebrated Mandela Day 2011 by making and distributing soup and bread to ±200 patients at the Cloeteville Clinic.

3.12.2 HOUSEHOLDS WITH ACCESS TO BASIC HOUSING

Year	Total households (including formal and informal settlements)	Households in formal settlements	Percentage of households in formal settlements
2010/11	38 000	5 078	15%
2011/12	39 000	6 400	20%

Table 106: Households with Access to Basic Housing

The following table shows the **decrease** in the number of people on the housing waiting list. There are currently approximately **18 817** applicants on the waiting list.

Housing waiting list	Nr of people on Housing waiting list	% Housing waiting list increase
2010/11	21 377	Decrease
2011/12	18 817	-12% (decrease due to sanitation)

Table 107: Housing waiting list

3.12.3 CAPITAL EXPENDITURE – HOUSING

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Housing: Klapmuts 342	13 884	13 884	13 884	0
Upgrading of services: Langrug	2 412	2 412	1 346	-1 066
Mooiwater: Stormwater Disposal	1 324	1 324	799	-525
The Steps/Orlean Lounge	1 340	1 340	1 210	-130

Table 108: Capital Expenditure 2011/12: Housing

A total amount of **R 26 963 736** were allocated to build houses and to purchase land during the 2011/12 financial year under review, includes:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000	R'000			
2010/11	21 211	18 731	84	231	0
2011/12	26 964	22 354	83	20	556

Table 109: Housing

CAPITAL PROJECTS

New Housing

Erf 342, Klapmuts - The main objectives this development is to service and construct quality subsidised housing. An additional application was submitted to DoHS to increase the number of service sites from 536 to 1 056 service sites. The application was approved and the initial 536 sites were service during 2011/12 financial year. The budgeted amount of R13 884 785 was fully spend.

Watergang Phase 2, Kayamandi - The tender for the construction of 106 units was advertised and the tender was awarded. The site establishment process has already taken place and the top structures will be constructed by the end of the next financial year (2012/13). The budgeted amount of R1 225 806 was fully spend.

Informal Settlements

Upgrading of services in Langrug - Budgeted amount were R2 412 525 and the amount of R1 490 373 was spend. The remainder of the funds is earmarked for services and the central road to be completed during the next financial year (2012/13).

Basic Services: Insitu Upgrading - Budget amount were R2 000 000 and the amount of R1 195 922.30 was spend in Langrug, Soopjeshoogte, Devon Valley, La Rochelle and Kayamandi. The funds were linked to the Memorandum of Understanding with Community Organisation Resource Centre (CORC). The latter document was only approved by Council during March 2011, and only thereafter was an order generated which allowed for spending of funds.

3.13 FREE BASIC SERVICES AND INDIGENT SUPPORT

The following table indicates the percentage of registered indigent households that have access to free basic municipal services. The total indigent households include all informal households and formal households who have been registered as an indigent household. The total i.t.o. free basic electricity includes indigent households receiving 60kWh from Council and where the electricity distribution is conducted by ESKOM and Drakenstein Municipality. In accordance with the approved indigent policy of the municipality, all households earning less than R 3 000 per month will receive the free basic services as prescribed by national policy and in terms of Stellenbosch Municipality's indigent policy.

3.13.1 ACCESS TO FREE BASIC SERVICES

Free Basic Services To Low Income Households									
Year	Number of households								
	Total	Households earning less than R 3 000 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse Removal	
		Access	%	Access	%	Access	%	Access	%
2011/12	12304	12304	100	12304	100	5945	48.31	12304	100

Table 110: Access to Free Basic Services

An application for indigent subsidy must be completed by all consumers who qualify in terms of Stellenbosch's Indigent Policy. The approval of the application for subsidy is subject to certain criteria as per the policy.

Services subsidised are:

- Water- Basic charge + 6kl
- Electricity- basic charge + 60 kWh
- Sanitation- based on a 250m² erf
- Refuse-1 removal per week

Free basic services and indigent support:

Grants received for the 2011/12 book year and specifically reserved for indigent households was R 36977 000. This grant was fully expensed.

The access to free basic services is summarised into the different services as specified in the following table:

Electricity			
Financial year	Indigent Households		
	No of HH	Unit per HH (kwh)	Value
			R'000
2011/12	5 945	60	1 968

Table 111: Free basic Electricity services to indigent households

Water			
Financial year	Indigent Households		
	No of HH	Unit per HH (kl)	Value
			R'000
2011/12	12 304	6	7 369

Table 112: Free basic Water services to indigent households

Sanitation			
Financial year	Indigent Households		
	No of HH	R value per HH	Value
			R'000
2011/12	12 304	61.18	14 676

Table 113: Free basic Sanitation services to indigent households

Refuse Removal			
Financial year	Indigent Households		
	No of HH	Service per HH per week	Value
			R'000
2011/12	12 304	1	13 054

Table 114: Free basic Refuse Removal services to indigent households per type of service

COMPONENT B: ROAD TRANSPORT

This component includes: roads; transport; and waste water (storm water drainage).

3.14 ROADS

The strategy is to provide an appropriate transport network and well maintained road infrastructure. This had been achieved by providing adequate facilities for non-motorised transport, public transport and by addressing the road backlogs as identified in the Pavement Management System (PMS). The PMS had been compiled in 2010. During the 2011-2012 financial year, approximately 10km of road ways as identified in the PMS as a priority, had been rehabilitated and resurfaced. Approximately 4km of gravel roads had been upgraded to an asphalt surface standard. A new 1km Class 4 road had been constructed. Public transport facilities such as a bus embayment and shelter had been constructed. 5km of pedestrian and cycle (Non-Motorised Transport) route had been constructed, linking previously disadvantaged and low income areas to the CBD.

The following tables give an overview of the total kilometres of roads maintained and new roads tarred:

3.14.1 TARRED (ASPHALTED) ROADS

Financial year	Total km tarred roads	Km of new tar & paved roads	Km existing tar roads re-tarred	Km existing tar roads re-sheeted	Km tar roads maintained
2010/11	326	0	12	1	314*
2011/12	328	2	5	1	318*

Table 115: Tarred (Asphalted) roads

*Note: Total network maintained, maintenance carried out where required.

3.14.2 GRAVELLED ROADS

Financial year	Total km gravel roads	Km new gravel roads constructed	Km gravel roads upgraded to tar / block paving	Km gravel roads graded/maintained
2010/11	34	0	0	34
2011/12	34	0	4	30

Table 116: Gravelled roads

3.14.3 COST OF CONSTRUCTION/MAINTENANCE

The table below shows the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	Gravel			Tar		
	New	Gravel – Tar / Block paving	Maintained	New (Tar & Block paving)	Re-worked	Maintained
	R'000					
2010/11	0	0	2 379	0	17 695	9 517
2011/12	0	3 000	1 781	4 756	10 000	7 124

Table 117: Cost of construction/maintenance of roads

3.14.4 CAPITAL EXPENDITURE – ROAD SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Reconstruction of Roads	2 000	2 950	2 800	-800
Major roads	708	3 575	3 234	-2 526
Public transport	500	4 427	4 346	-3 846
Klapmuts Access Roads	0	4 115	4 115	-4 115

Table 118: Capital Expenditure 2011/12: Road Services

Public Transport – Provision of high class Non-Motorised Transport (NTM) link from previously disadvantaged area to the CDB along Bird Street. 99% budget spent.

Major Roads – Rehabilitate and resurface roads as identified as a priority by the Pavement Management System (PMS). Only 90% budget spent due to the national bitumen shortage.

Upgrade Gravel Roads – Upgrade 4km gravel roads to surfaced standards. Projects successfully completed.

Reconstruction of roads - Rehabilitate and resurface roads as identified as a priority by the Pavement Management System (PMS). Project was overrun by 10% to facilitate the under spending of the roads rehabilitation project.

3.15 WASTE WATER (STORM WATER DRAINAGE)

During the past year financial surveys were undertaken to locate and identify all Storm water infrastructure within the Stellenbosch Municipal area. These surveys are conducted to attain more detailed asset information and assist in the future compilation of the Storm water Management Plan.

3.15.1 STORM WATER INFRASTRUCTURE

The table below shows the total kilometres of storm water maintained and upgraded as well as the kilometres of new storm water pipes installed:

Financial year	Total km Storm water measures	Km new storm water measures	Km storm water measures upgraded	Km storm water measures maintained
2010/11	40	0	0	40
2011/12	121	0.6	0.5	120

Table 119: Storm water infrastructure

3.15.1 CAPITAL EXPENDITURE – STORM WATER SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Storm water Master Plan Implementation	1 000	409	399	601
River Rehabilitation	600	410	410	190
Sundry storm water projects	500	400	351	149
Storm water master plan update	300	300	300	0

Table 120: Capital Expenditure 2011/12: Storm Water Services

3.15.2 COST OF CONSTRUCTION/MAINTENANCE

The table below indicates the amount of money spend on storm water projects:

Financial year	Storm water Measures		
	New	Upgraded	Maintained
	R'000		
2010/11	0	2400	4 104
2011/12	533	1 167	7 391

Table 121: Cost of construction/maintenance of storm water systems

Stormwater construction projects were implemented in the Idas Valley and Cloesteville areas to improve the stormwater drainage and alleviate flooding occurrences in these residential areas. These projects had been identified in our Storm water master plan and had been successfully completed.

COMPONENT C: PLANNING AND DEVELOPMENT

3.16 TOWN PLANNING & SPATIAL PLANNING

The Department Planning and Economic Development include the following functions:

LED, Building Control, Town Planning (Land use management), Spatial Planning, Environment & Heritage and Social Development Services.

With the above in mind the department aims to improve service delivery within the built and natural environment by:

- Conserving the natural environment for biosphere conservation purposes
- Protecting agricultural land for purposes of food production
- Guide and order appropriate, responsible and sustainable development and use of resources by developing a SDF and other related sectoral plans
- Putting into place a Integrated Zoning Scheme that speaks to the goals of the SDF
- The protection and enhancement of the cultural landscape to preserve the character and architecture of the region
- To implement, monitor and manage the regulatory legal framework with regard to building operations
- To implement, monitor and manage the regulatory legal framework with regard to spatial planning and land use changes
- Organisational change and capacity building
- Integrate planning principles with the municipality's economic development objectives

The main challenges experienced by the Directorate is as follows:-

- The lack of a proper GIS system for the municipality as well as suitably experienced and qualified permanent GIS personnel to maintain the GIS
- Appointment of a suitably experienced and qualified permanent land use inspectors to ensure compliance with the land use regulations
- The recruitment of experienced and qualified environmental specialists
- Increase of capacity and structure in the Land use management and Spatial Planning sections

Limited resources for all the law enforcement matters to be attended to by town planning and building control. As the area grows so do the amount of illegalities to be policed and followed up, resulting in huge pressure on the financial resources available for legal actions.

The table below sets out the main elements of Stellenbosch **Planning Strategies**:

Strategy	Description
A urban pattern of interconnected nodes	Development takes place based on a model of interconnected urban nodes with high densities linked to each other by rail, road and high speed voice and data telecommunications whilst agricultural land in

Strategy	Description
	between is preserved.
Car free Transport through NMT and public transport	Alleviate traffic congestion and improve movement by promoting, walking, NMT, public transport and rail. Obtaining settlement densities to support public transport
Promoting inclusive economic growth	Attracting skills to supply dominant economic sectors whilst ensuring demand for low skilled labour in order to reduce unemployment.
Encouraging optimal use of land	Allowing redevelopment of existing low density areas, infill opportunities and brown field's development are prioritised over Greenfield sites. Land must be used for its most suitable and appropriate use.
Resource custodianship	Responsible sustainable use of resources is required. Sustainable policies and strategies for preserving water quality, upgrading the waste water treatment works, reducing solid waste streams and implement recycling principles, promoting alternative energy sources such as solar water heating are given.
Food and agriculture	Include strategies to preserve agricultural land for food production and employment opportunities.
Heritage	Include strategies to preserve the cultural landscape, scenic landscape and heritage resources

Table 122: Planning Strategies

The Draft WC024 SDF which is to be tabled to Council in February 2013

Current projects undertaken include:

- Finalisation of the new integrated zoning scheme regulations.
- Drafting of the Stellenbosch Town SDF, Jonkershoek SDF and Klapmuts SDF
- The Heritage Register for Stellenbosch Town is nearing completion.
- Drafting of the air quality management plan is in process.
- On-going updating of cadastral information data base, the electronic zoning information, and updating the zoning information register.
- Implementation of the Collaborator workflow management system to track and administer all land use applications and building plan applications.
- Finalise the integrated zoning scheme
- Preparing Spatial Development Frameworks for all urban nodes as well as the rural area in line with the WC024 SDF.
- Re-evaluate and capacitate the Building Control section so as to ensure proper functioning, proper law enforcement so as to be complaint and ready for developments to come.
- Continually ensure timeous consideration of land use applications in order to streamline development processes.
- Municipality to strengthen integrated planning, spatial planning and economic planning

Future projects

- The completion of a heritage registers for all areas within the municipal area and the submission thereof to Heritage Western Cape in order to obtain competency to deal with all grade III buildings.
- Finalise the integrated zoning scheme
- Preparing Spatial Development Frameworks for all urban nodes as well as the rural area in line with the WC024 SDF.
- Re-evaluate and capacitate the Building Control section so as to ensure proper functioning, proper law enforcement so as to be complaint and ready for developments to come.
- Continually ensure timeous consideration of land use applications in order to streamline development processes.
- Municipality to strengthen integrated planning, spatial planning and economic planning

3.17 LOCAL ECONOMIC DEVELOPMENT

3.17.1 LED ACHIEVEMENTS

The table below gives a brief description of all the achievements within local economic development during the 2011/12 financial year:

Achievement/Highlight	Description
International Relations	Visit to Gotland Municipality (Sweden) to develop a municipal partnership with Stellenbosch Municipality
Stakeholder Engagements	Successful engagement with stakeholders from key sectors to strengthen relationships and fostering partnerships
LED Strategy Process	Hosted LED Conference with aim to harness local economic growth path of the area
Business Development	<ul style="list-style-type: none"> ● Assisted 23 SMME's accessing financial assistance through SEED Funding Programme of the Cape Winelands District Municipality ● Business training for 50 people within WCO24 ● Facilitate access to business opportunities through trading at the Braak at the Festival of Lights ● Facilitating access to funding for 2 (two) businesses through the DELL South African Development Fund ● Information session with local businesses on local procurement processes ● Information day hosted in collaboration between the Municipality and Department of Agriculture for small and emerging farmers in the area on business opportunities in the agricultural sector.
Tourism Development	<ul style="list-style-type: none"> ● Facilitated accredited bar and waiter training to 15 staff members of 3 restaurants ● Facilitated a school awareness programme to three (3) primary schools
LED Strategy Process	<ul style="list-style-type: none"> ● Held a LED Conference to determine the local economic growth path of the local area ● Conducted sector workshops with key stakeholders as input to the LED Conference
Policy Development	<ul style="list-style-type: none"> ● Expanded Public Works Programme Policy and Implementation Programme adopted by Council ● Draft Commonage Policy completed
Project Funding Received	<ul style="list-style-type: none"> ● Received CASP Funding to an amount of R 1 280 000.00 for



Achievement/Highlight	Description
	 Project Farm 502BH for implements and training  Received subsidy from Department Water Affairs to the amount of R 860 000.00 for water subsidy for Farm 502BH.

Table 123: Achievements within local economic development

3.17.2 LED CHALLENGES







The table below gives a brief description of all the challenges within local economic development during the 2011/12 financial year:

Description	Actions to address
The extent to which powerful stakeholders have been mobilised on a large scale to actively participate and strengthen the competitive advantage of the economy has not been fully exhausted	Engaged in stakeholder participation / consultation process to consult with on the proposed strategy and implementation plan for the local area.
Current interventions does not result in the desired scale of impact such higher economic growth, more jobs etc.	Engaged sector bodies to ensure strategic interventions at sector level.
An academic LED approach that has resulted in limited implementation success	Reviewed approach to be more pragmatic
Lack of baseline economic data of local area	In partnership with Provincial Treasury embarked on process to conduct a baseline study to develop an updated economic profile of the area.

Table 124: Challenges within local economic development

The LED strategy, along with the LED Implementation plan, is completed, however not being endorsed by Council. However there is a need to move towards a common understanding, cooperation and good governance in Local Economic Development. Many municipal officials reason with a spatial development paradigm. The community leaders reason with a social development paradigm. LED requires a completely different way of thinking. Without resolving the different paradigms, stakeholders will argue forever and progress will be stifled.

The following enabling projects have been identified in the LED strategy and are currently being addressed by the municipality:

-  The development of new tourism routes to broaden the ownership, product base and promote transformation of the tourism sector.
-  The development of niches within existing sectors.
-  The collection of economic data on ward basis to improve strategic and planning decisions
-  Access to municipal agricultural land for emerging farmers and non-financial support to such farmer.
-  The building of a business support network of service providers to assist businesses and encourage entrepreneurship.
-  The expansion of the Expanded Public Works Programme to create more income generation opportunities

Improvement of the infrastructure on a 65 ha piece of land to ensure the economic sustainability of the farmers currently farming on the land

3.17.3 LED OBJECTIVES AND STRATEGIES

The LED strategy identifies various issues and strategic areas for intervention such as (3 top service delivery priorities):

Strategic areas	Description
Projects related to general development facilitation	A number of initiatives which focus on specific action or policies, whose broader impact on the LED process is positive or expected to be positive i.e. Improving the LED database, Improving the local investment environment, Interacting with foreign municipalities
Job-creation efforts	Unemployment and the use of EPWP funds to assist with poverty alleviation, Creating jobs through sector strategies and other LED support
Sector-support projects	The co-ordination of sector-focused LED support constitutes a major part of the work of the LED team
Small-business support and facilitation of township business development	Support for emerging or expanding small enterprises is usually seen as one of the more significant roles of municipalities
Strengthening environmental sustainability	The search for (promising) business ventures in the field of new energies are encouraged through investment incentives or other support from the SM, CWDM and relevant provincial authorities.
Infrastructure upgrading	Upgrading activities should, wherever possible be done in a way that utilises local labour and expertise and that makes use of locally developed technologies and skills.

Table 125: LED Objectives and Strategies

Local job opportunities

Stellenbosch municipality grew by 5.3 per cent per annum over the 2000 to 2010 period and created a net additional 9 800 employment opportunities (or at a rate of 1.7 per cent per annum), a feat not shared by most municipalities in the Western Cape. The solid all-round growth performance of the municipality stands out, albeit that the agricultural sector moved sideways in terms of real value add and shed jobs on a large scale (8 700 in all).

The municipality has a large manufacturing base, accounting for close to 30 per cent of GDP. The average manufacturing growth rate of 3.2 per cent per annum conceals the robust growth (7 per cent per annum plus) of a number of smaller industries, such as automotive components, electrical machinery, radio, TV & apparatus, metals & machinery and furniture, as well as clothing, textiles & leather goods. The manufacturing sector is dominated by the agri-processing industries (e.g. wine making), accounting for three quarters of manufacturing real value add and growing by a more pedestrian 2.3 per cent per annum. An encouraging feature of the municipality's manufacturing growth is the fact that it created jobs on a net basis despite the impact of the recession. The construction sector also grew strongly (in excess of 12 per cent per annum) and added to jobs

However, the main employment creation occurred in the municipality's equally lively growing services industries, accounting for no less than a cumulative 16 000 new jobs on a net basis; services, in turn, account for 60 per cent of municipal GDP. While the finance, real estate & business services sector is that largest tertiary sub-sector, the keen growth (8 per cent per annum) and employment creation (5 400) in the municipality's retail, wholesale, catering & accommodation sector is noteworthy and probably reflects the impact of a healthy tourism industry.

Furthermore, the contribution of the CSP services and government sectors is also a feature of the Stellenbosch municipality's economic growth.

3.17.4 EPWP JOB CREATION

The EPWP has over the years increased its capacity to provide more EPWP jobs due to increasing awareness of the projects managers of their contribution they could make to job creation. The appointment of two contract data capturers also increase the quality of reporting to the National Department of Public Works. Below are the projects and number of jobs that has been created through EPWP.

Job creation through EPWP* projects					
Year	EPWP Projects		Number of jobs created through EPWP projects		
2011/2012	Environmental Projects				
	Masicoce		193		
	Botmanskop Alien Clearing		11		
	Idas Valley Alien Clearing		9		
	Jongershoek Picnic Site		9		
	Papegaaiberg Fire Breaks		9		
	Idas Valley Landscaping		4		
	R44 Landscaping		4		
	Landscaping in Flamingo		4		
	Van Der Stel Sport ground		7		
	Botmanskop Plantation		10		
	Fire Protection in Idas Valley		4		
	Paradyskloof Fire Protection		11		
	Botmanskop Fire Breaks		11		
	Stellenbosch alien clearing		20		
	Total Projects		14	Total Jobs	306
	Infrastructure Projects				
	Basic Services In Situ		15		
	Bird Street Phase 2		6		
	Water & Sewer Pipeline Replacement		15		
	Klapmuts Road Upgrade		8		
	Storm Water Structures in Kayamandi		3		
	Stadiums Civil Works		6		
	Clearing Storm Water Structures in Kayamandi		6		
	Klapmuts Road Upgrade Phase B		15		
	Bird Street Phase 1		2		
	Bergzicht Taxi Rank Upgrading Phase 3		7		
	Total Projects		10	Total Jobs	62
	Total Projects Overall		24	Total Projects Overall	368
	* - Extended Public Works Programme				

Table 126: Job creation through EPWP* projects

3.18 TOURISM

3.18.1 AIM AND FUNCTION OF TOURISM SECTION

The aim of tourism in the Greater Stellenbosch Municipal area is:

- Market, develop and promote tourism
- Develop and promote tourism skills and awareness within local communities in order to achieve maximum sustainable benefits from tourism
- Identify and promote the cultural and heritage assets of the area
- Actively participate in the promotion of transformation of the tourism Sector
- Use tourism as a vehicle to promote entrepreneurship and the establishment of new enterprises
- Create an conducive environment for job creation and innovation

3.18.2 CHALLENGES

Stellenbosch is located between two major national routes (N1 and N2) and is linked to both of these national routes by means of the R44 which links the N1 with the N2. In addition, Stellenbosch is also linked to the City Cape Town through 2 other major routes. These are the Stellenbosch arterial (M12) as well as the R304 which connects Stellenbosch to the Northern Suburbs of the City of Cape Town via the N1 and the M23. A minor linear route (characterised by the Helshoogte Road) also links Stellenbosch to the Franschhoek valley that in turn links up with the N1 and Paarl. In order for these routes to be utilised for tourism development secondary tourism businesses and the development of tourist nodes need to be encouraged along these routes.

A uniquely defining quality of Stellenbosch Tourism is the contribution that the University makes not only to the population of Stellenbosch but also in terms of income generation for secondary tourism industries this is primarily based on the fact that Stellenbosch University is a key tourism traffic generator for the area, by promoting academic tourism. While the current number of attendees at conferences, symposiums and graduation ceremonies are unknown, these events do provide for significant increases in the tourist numbers for Stellenbosch. These numbers would have to be quantified in order for the municipality to act within its mandate to ensure that these events hosted by the university serves as a marketing tool not only for the university but for the town as a whole as well

- Insufficient transport infrastructure to maintain present tourism numbers
- Reconciling the two marketing brands of Franschhoek and Stellenbosch under one structure without the respective brands losing their uniqueness
- Inadequate capacity to address tourism development and transformation
- Immensely high property values have a direct impact on the ability of resource poor individuals to successfully start up and run any form of tourism business.

3.18.3 OPPORTUNITIES

- Finding the balance between tourism marketing and development.
- Social and lifestyle changes within the tourism sector such as increases in health consciousness, self-improvement, and lifelong learning
- The major long-term growth potential of the BRICS countries (Brazil, Russia, India, China and South Africa).
- Growth in travel trips from emerging markets.
- Worldwide trend of booking travel and holidays online.
- Origin of most foreign arrivals is from Africa and Middle East
- Geographic location next the Cape Metro-poll makes it possible to catch spill over from the Metro-poll to the Greater Stellenbosch Area.
- University town- resulting in mass influx of people to the Greater Stellenbosch Area

COMPONENT D: COMMUNITY AND SOCIAL SERVICES

The Community Services Department consists out of the following departments: Parks, Sport grounds, Picnic sites, Cemeteries, Community Halls, Nature Conservation, Libraries, Rivers and Area Cleaning. The main purpose of this Department is to provide well develop community facilities, clean and green public open spaces and attractive landscape entrances to the benefit of the community.

3.19 LIBRARIES

There are 9 libraries in the Greater Stellenbosch which serve a population total of 154 442 residents. The main priorities are the following:

- 1) To increase the circulation of information in electronic and hard copy
- 2) To increase our patron numbers and improve the literacy levels of our community.
- 3) To extend rural library services
- 4) To advocate the increase of operating and capital contributions by the Department of Arts, Sports and Cultural.

3.19.1 SERVICE STATISTICS – LIBRARIES

Type of service	2010/11	2011/12
Libraries		
Number of Libraries	8	9
Library members	22 127	25 067
Books circulated	1 345 867 29 470 (Audio-visual material)	1 354 996
Exhibitions held	192	217
Internet access points	24	46
Children programmes	70	7231
Visits by school groups	31	35
Book group meetings for adults	0	0
Primary and Secondary Book Education sessions	32	41

Table 127: Service Statistics - Libraries

3.19.2 CAPITAL EXPENDITURE – LIBRARIES

Capital Projects	2011/12		
	Budget	Adjustment Budget	Actual Expenditure
Variance from original budget			
R'000			

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
Book detector system	200	200	198	2

Table 128: Capital Expenditure 2011/12: Libraries

The Department intend to extend the rural library services and internet connectivity services in the coming financial year.

3.20 CEMETERIES AND CREMATORIALS

The Stellenbosch Municipality is responsible for the maintenance and management of 6 cemeteries in our municipal area. Five are fully operational and one is full to capacity [only reserve graves available].

The main priority is the following:

- To provide an area / facility of remembrance to honour the deceased.
- To critical extend the shortage of burial space in the WCO24.
- To improve the visual appearance of cemeteries.
- To find alternative ways of burial methods.
- To promote cremations amongst various religious groups in WC024.

3.20.1 SERVICE STATISTICS - CEMETERIES AND CREMATORIALS

Type of service	2011 / 12
Pauper Burials	25

Table 129: Cemetery STATS

3.20.2 CAPITAL EXPENDITURE – CEMETERIES AND CREMATORIALS

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Cemeteries Global	100	0	100	0
Cemetery – Onder-Papegaaiberg: Fencing	50	0	50	0
Extensions of Cemeteries Infrastructure	400	0	220	180
Electronic Records System	26	0	25 500	0

Table 130: Capital Expenditure 2011/12: Cemeteries And Crematoriums

During the 2011 / 12 financial year Stellenbosch Municipality submitted the report of the Environmental Impact Assessment Department of Environmental Affairs and Development Planning for Kylemore, La Motte and Onder-Papegaaiberg. The

Kylemore application for the extension was successful, La Motte was turned down and Onder-Papegaaiberg is pending.

The Boschendal Estate donated an existing cemetery at Lanquedoc. Please note that this cemetery has very little capacity left.

It is of critical importance that additional burial space be found within the next two years. Capital funding for the purchase of additional land together with civil- and drainage works may relieve the situation. An area with alternative burial space was identified at De Novo and the Manager: Property Management was tasked to fast track negotiation with the Provincial Government of the Western Cape.

3.21 CHILD CARE; AGED CARE; SOCIAL PROGRAMMES– COMMUNITY DEVELOPMENT

3.21.1 SERVICE STATISTICS – CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Type of service	2010/11	2011/12
Child Care; Aged Care; Social Programmes		
Trees planted	No information available	Trees were planted at the Sizamele Crèche.
Veggie gardens established	No training was done but 10 families started with gardens in La Motte. This laid the ground work for back yard gardens that was done in partnership with Department of Agriculture to develop the concept and market it as a project in two communities.	Fourteen backyard gardens were established in Klapmuts and thirteen in the La Motte community. The community people received training on the start of a garden, looking after the soil as well as how to ensure enough seeds to plant the following season.
Soup kitchens established or supported	No information available	Soup kitchens are not run by the municipality, but supported through the Grant-in-Aid application process. Organizations like Feeding Action supports ± 4000 vulnerable children, sick, elderly and families through 32 feeding points throughout the municipal area. These do not include schools and crèches also supported by them. The municipality also supports the organization through arrangements for access to municipal facilities to run the soup kitchen from. The partnership is reciprocal as Feeding Action supports the municipality during times of disaster when access to food becomes a critical issue.
Initiatives to increase awareness on child abuse	<p>Keeping children safe: In an effort to keep our children safe during the 2010 Soccer World Cup. Over a four week period, we managed holiday programmes in thirteen communities. An estimated 8 000 children were kept busy with arts and culture, sport, entrepreneurship and wellness programmes.</p> <p>The success of the programme can be attributed to the establishment of a network of partners and community involvement.</p> <p>Futsal is a form of soccer played by 5 team members on a smaller court than a soccer field. The rules are a bit different, but the game can be played in the street and on</p>	<p>See 16 Days</p> <p>We hosted a Child Maintenance Workshop in Klapmuts to not only protect children, but also inform mothers of support available to access maintenance services.</p> <p>Also see Dilbeek and other youth and children activities.</p>

Type of service	2010/11	2011/12
	<p>small spaces. It makes it ideal for our communities where full soccer fields are not always available.</p> <p>The CDW's of Kylemore started their own form of holiday fun to keep the kids off the street and busy by arranging a mini tournament. It was well received and the kids indicated they want this repeated each holiday. They are playing for a trophy that will be floating between the teams for 3 months.</p>	
Youngsters educated and empowered	<p>Implementation of year one of the 3year strategic agreement between Dilbeek en Stellenbosch Municipality.</p> <p>NARYSEC Identification of participants: June – July 2010</p> <p>NARYSEC Trainer the Trainer month (DRDLR): September 2010</p> <p>NARYSEC Train the Trainer month (STATSSA and SDS): October 2010</p> <p>NARYSEC Training for participants (Local Municipality Trained official): November 2010.</p> <p>House-hold profiling of 5 Equity Farms: NARYSEC participants and Trained official.</p> <p>Integration of NARYSEC participants into Municipality programmes: ongoing</p>	See Dilbeek and other Youth activities below
Initiatives to increase awareness on disability	No information available	During Disability Month we hosted a disability awareness campaign.
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	<p>June 16: A successful youth day event was held in Klapmuts. Together with the community of Klapmuts we celebrated the role of youth in bringing about change. Thirty five years ago the youth brought about political change and the Executive Mayor, Alderman Conrad Sidego challenged the youth to bring about change to their environment through the planting of 35 trees.</p> <p>16 Days: In partnership with the Stellenbosch Safe House, we reached out to 10 communities during this campaign. An opportunity was given to women and children affected by gender violence to paint a message on a card board doll. These dolls were then displayed in all the communities. During the painting of the dolls the women were also equipped with information on where to get help.</p>	<p>16 Days of activism march through Stellenbosch in partnership with SAPS, the Stellenbosch Safe house and other NGO's.</p> <p>June 16: Together with Department of Social Development a celebration was held at the Cloetesville Sport Grounds</p> <p>World Aids Day was celebrated with all health network partners under the auspice of @heart.</p>

Table 131: Community Development STATS

Youth and children Activities:

The following activities formed part of the implementation of the Dilbeek agreement:

- Daily after school programmes from Mondays to Thursdays
- A Girl's club focussing on the concept of self in relation to vulnerability among girls.
- Acting and directing workshops for young budding artists.
- Pool Tournament, Soccer tournament and annual fun run
- Holiday programmes to keep children safe over the holiday period including camps.
- Placement of social work students who also developed a social map for the youth of the Franschhoek community regarding accessing services aimed at youth.
- South-South exchange and volunteer learning programme in Mangaung attended by the southern partners of the Belgian city links.
- South-South exchange among the youth of Franschhoek and Tulbach on youth development and programmes in their respective communities
- Attending a conference on the extension of the South African-Belgian relationship to possibly include a federal programme.
- Introduction of Hope through Action and Score as two new possible partners in the extension of the programme on sport development. This included a soccer tournament on astro turf.

Other youth and children activities included the following:

- The African Hip Hop Indaba with Heal the Hood Project in Kylemore and Cloetesville
- Kylemore futsal tournament as part of a holiday programme to keep children safe and busy.
- Partnering with SUSPI and their Stars of Tomorrow programme to introduce sport development to schools not having a sporting programme
- The Kayamandi Arts and Cultural Festival
- Mobilization of youth to take part in the Wine Industry Learnership programme including training at a FET College.
- Cloetesville Holiday programme – picking up on networks established during 2010 in an effort to keep our children safe.
- Registration process supported of DSD in Kayamandi and Franschhoek to get all crèches registered. To this end council approved a waiver of tariffs to make it easier for ECD's to apply for temporary departures or consent uses. This was done through the acknowledgement of the ECD forums established within our community.

Elderly programme:

- In partnership with CWDM we hosted a Christmas Lunch for the elderly of Stellenbosch.
- We also support elderly forums to ensure them being able to have a voice.
- An heritage programme focussed on keeping the elderly active within our communities was done in Cloetesville

People living on the street:

Stellenbosch Municipality is the only municipality with a night shelter for people living on the street. Due to the tourist nature of Stellenbosch, we have a large influx of homeless people wanting to make use of the opportunity for income from begging. The Municipal Shelter has been operational for 5 years and is run in partnership with the Stellenbosch Night Shelter.

Making services available to the community:

- Community Chest Stakeholder Training: Together with The Community Chest we assisted some of our young NGO's to access training that will allow them to better run their organizations.
- An Indigent registration programme was run in Meerlust.
- Municipal Open Days (Similar to Thusongs, but with a LG focus) were done in: Klapmuts, Cloetesville and Idas Valley
- Together with the Dept of Local Government we did Mobile Thusongs in: Franschhoek, Kayamandi and Jamestown

3.21.2 CAPITAL EXPENDITURE – CHILD CARE; AGED CARE; SOCIAL PROGRAMMES

Upgrade of Franschhoek Youth House: R 100 000. This project was altered during the course of the year. Originally the Department Community Development would have worked with Property Management to extend the funds available to do the following at the Mooiwater Building from where the Youth House operates:

- Development of grounds
- Development of parking area
- Painting of building and woodwork

When the opportunity of partnering with Hope through Action and Score came to our attention, we thought about rather using the funds to do proper planning towards a youth facility that would include an indoor sport centre and library services. This however took longer than anticipated and the funds were removed from our budget during the adjustment budget period. The Department Property Management did however succeed to complete the original upgrades to the facility from their own budget.

COMPONENT E: ENVIRONMENTAL PROTECTION

3.22 POLLUTION CONTROL, BIO-DIVERSITY, LANDSCAPE, OPEN SPACES, PARKS

The municipality does not have the services of an environmental planner nor an air quality officer. The appointment of a suitably qualified and experienced environmental specialist is a priority. The task of the environmental planner will be to set up a departmental structure responsible for the environment. The recruitment of an environmental specialist is currently underway.

The municipality forms part of the Cape Winelands Biosphere Reserve and has participated in the declaration of the Reserve. Biosphere planning is also included in the SDF.

Air pollution, particularly the pollution caused by spray drift stemming from agricultural practices, is a major challenge. The District Municipality is currently supporting the local municipality with controlling air quality.

CURRENT PROJECTS

The Declaration of Pappegaaiberg as a nature reserve to be included in the urban open spaces system of Stellenbosch is pending and already submitted to Cape Nature.

To develop, manage and maintain all public open spaces, parks, open erven, river banks and attractive town entrances for the benefit of all communities and visitors in the Greater Stellenbosch. The aim is to preserve and enhance the natural beauty and heritage of this historical oak town.

Through the establishment of partnerships; such as the Adopt A River program, the department wishes to extend local economic opportunities to improve the quality of life of our communities. In addition, the Municipality aims to reduce its carbon footprint by planting a million trees by 2030.

Dignified living as a strategic focus for Stellenbosch Municipality is to improve the quality of life for those living in the informal settlements by using the green environment to upgrade structures through beautification, the provision of recreational facilities, Area Cleaning/ block system, waste collection and recycling. Through this approach it is envisaged that communities will become economically empowered and that community pride and resilience will be fostered.

COMPONENT F: SECURITY AND SAFETY

This component includes: Traffic; fire; disaster management, licensing and control of animals, and control of public nuisances, etc.

The aim of council is to ensure the safety of all residents and visitors in this municipal area through law enforcement. Currently municipal law enforcement officers work closely with SAPS to combat crime while the traffic law enforcement officers are assisting those agencies. Stellenbosch Municipality would like to ensure compliance with the law on a “twenty-four seven” basis. We want to enforce traffic regulations on our roads at all times and respond to emergencies in the best way possible. We would also like law enforcement officers deployed to every part of the municipal area – not only monitoring compliance with by-laws, but also assisting citizens in need, and notifying various departments within the municipality of service delivery issues as they occur. These officers should work closely with other safety agencies, including Neighbourhood Watch organisations. While we need to be able to respond to disasters efficiently and fully, we would also like to focus on preventative work, including preventing the occupation of unsafe land.

3.23 TRAFFIC AND LICENSING

Traffic law enforcement is to reduce the number of road accidents annually by 5% and furthermore to ensure a safe traffic flow. The aim is to bring all offenders of traffic violations to book to ensure safe roads. Speed measurements are important due to the fact that 90% of all accidents are caused by speeding. Second serious offence is driving under the influence of liquor due to the fact that the dragger breath alcoholised is not accepted evidence in South African courts. Scholar patrols is established to assist learners to cross roads to schools safely, while regular traffic patrols in residential areas reduce traffic accidents and traffic violations.

3.23.1 SERVICE STATISTICS – TRAFFIC SERVICES

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
Number of road traffic accidents during the year	1 171	2 847	2 712	2 476
Number of Traffic officers in the field on an average day	25	35	30	35
Number of Traffic officers on duty on an average day	31	41	36	41
Motor vehicle licenses processed	31 778	35 000	33 535	40 000
Learner driver licenses processed	2 834	2 800	2 542	3 500
R-value of fines collected	14 025 207	13 821 377	11 008 526	17 098 411
Operational call-outs	Not registered	250	Not registered	350
Roadblocks held	112	200	142	300

Details	2010/11	2011/12		2012/13
	Actual No.	Estimate No.	Actual No.	Estimate No.
Complaints attended to by Traffic Officers	269	300	319	350
Special Functions – Escorts	154	150	188	200
Awareness initiatives on public safety	378	450	552	580

Table 132: Service Data for Traffic Services

3.23.3 CAPITAL EXPENDITURE – TRAFFIC SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Upgrading office building	126	126	120	6
VTS-Non-Compliance	98	98	98	0
iPas (Accident data capturing)	58	58	58	0
AARTO Compliance	20	20	18	2

Table 133: Capital Expenditure 2011/12: Traffic Services

3.24 FIRE AND DISASTER MANAGEMENT

The function of this section is to save lives and to protect property. Awareness campaigns in informal areas did reduce the number of fires in those areas as well as the restructuring of shacks to ensure that fire fighting vehicles and fire fighter can reach those in need.

Immediate relief to victims of fires and flooding in the form of food parcels, blankets and emergency housing kits

3.24.1 SERVICE STATISTICS – FIRE SERVICES

Details	2010/11	2011/12	2012/13
	Actual No.	Actual No.	Estimate No.
Total fires attended in the year	1600	1492	1500
Total of other incidents attended in the year	1600	1492	1500
Average turnout time - urban areas	13 minutes	11,5 minutes	10,5 minutes
Average turnout time - rural areas	15,75 minutes	23,625 minutes	15 minutes
Fire fighters in post at year end	40	43	125
Total fire appliances at year end	10	11	13
Average number of appliance off the road during the year	4	4	4
Total Operational call-outs	1600	1492	1500

Details	2010/11	2011/12	2012/13
	Actual No.	Actual No.	Estimate No.
Reservists and volunteers trained	50	60	50
Awareness Initiatives on Fire Safety	30	43	50

Table 134: Service Data for Fire Services

3.24.2 CAPITAL EXPENDITURE – FIRE SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Klapmuts Satellite fire station	300	0	300	0
Revamping of single quarters	100	0	100	0
Overhaul of FMC fire engine	300	0	250	50
Light fire engine	500	0	567	-67
Rescue Tools	100	0	100	0
10 Mobile Radios	120	0	45	75
5 base radios	100	0	50	50

Table 135: Capital Expenditure 2011/12: Fire Services

The mentioned services did perform well taking in account that this section does have limited resources and temporary staff members. The aim is to prevent the outbreak of fires in informal residential areas and to train those people to deal with those fires and to assist the fire department. The staff budget was not approved by council for the appointing of permanent fire fighting personnel. Technology in the fire fighting services increases the monetary value of budget projects drastically which influence the prices of budgeted items or projects.

3.25 DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES AND OTHER

We would also like law enforcement officers deployed to every part of the municipal area – not only monitoring compliance with by-laws, but also assisting citizens in need, and notifying various departments within the municipality of service delivery issues as they occur. These officers should work closely with other safety agencies, including Neighbourhood Watch organisations. While we need to be able to respond to disasters efficiently and fully, we would also like to focus on preventative work, including preventing the occupation of unsafe land.

3.25.1 SERVICE STATISTICS – DISASTER MANAGEMENT, ANIMAL LICENSING AND CONTROL, CONTROL OF PUBLIC NUISANCES, ETC.

Details	2010/11	2011/12	2012/13
	Actual No.	Actual No.	Estimate No.
Immediate relief to victims	256	436	450
Emergency housing kits	56	36	70

Table 136: Service Data for Disaster Management, Animal Licensing And Control, Control Of Public Nuisances, ETC

COMPONENT G: SPORT AND RECREATION

3.26 HOLIDAY RESORTS AND CAMPSITES

The Stellenbosch Municipality is responsible for the management and maintenance of one picnic site in our municipal area.

The Jonkershoek Picnic Site is situated in the Jonkershoek Valley on the banks of the Eerste River. The Picnic Site attracts fifteen thousand visitors per annum due to its natural beauty and tranquil complimented by the sound of the running water.

The main priority of our resort is to provide leisure for our guests to experience true hospitality and efficient client service.

Braai and ablution facilities are available in the resort, water taps and refuse bins are positioned at regular intervals at the site and an affordable entrance fee per person is applicable.

3.26.1 SERVICE STATISTICS –HOLIDAY RESORTS AND CAMPSITES

Type of service	2010/11	2011/12
Holiday Resorts		
Number of Resorts	1	1
% Occupation for the year – Jonkershoek Picnic site	100% (December – long waitlists) 1739 overnight stays for the year	100% (December – long waitlists) 1624 overnight stays for the year

Table 137: Service Statistics –Holiday Resorts and Campsites

3.26.2 CAPITAL EXPENDITURE – HOLIDAY RESORTS AND CAMPSITES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Bullet proof window	20	0	20	0

Table 138: Capital Expenditure 2011/12: Holiday Resorts

3.27 SPORT GROUNDS AND SWIMMING POOLS

The Stellenbosch Municipality is responsible for the management and maintenance of seventeen sports grounds in our municipal area.

These grounds are embedded in the scenic beauty of Stellenbosch mountains of which ten are located in the urban- and seven in the rural areas.

It is the municipality's goal to create healthy communities and provide a sporting hub for all its residents and visitors, by offering a wide range of well-maintained and managed sport facilities.

Our local facilities hosted various international, national, provincial and local tournaments such as National disabled cricket

tournament, International fewer than twenty junior rugby tournaments from Argentina and Provincial limited overs cricket.

As part of the 2010 Soccer World Cup Legacy, nine of sports stadiums were upgraded and received the status of stadiums. Currently the Municipality places emphasis on closing the gap between rural and urban sports grounds. Recent upgrades at Wemmershoek and Lanquedoc were completed and handed over to the community.

Stellenbosch Municipality manage and maintain one swimming pool in the Greater Stellenbosch. The pool in Cloeteville can accommodate two hundred and seventy five (275) persons at anytime per day. The existing pool is not designed to host swimming galas and is only for recreation purposes. It is planned to improve the current facilities in the coming financial years.

3.27.1 SERVICE STATISTICS SPORT GROUNDS AND SWIMMING POOLS

Type of service	2010/11	2011/12
Sport Grounds and Swimming Pools		
Number of Sport Grounds/fields	17	17
Number of Swimming Pools	1	1
Number of Stadiums	10	10

Table 139: Service Statistics Sport Grounds and Swimming Pools

3.27.2 CAPITAL EXPENDITURE – SPORT GROUNDS AND SWIMMING POOLS

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Rural sports grounds	300	0	300	0
Paving at Van Der Stel	750	0	750	0
Lanquedoc installation of drainage system	300	0	300	0
Installation of borehole in Wemmershoek	150	0	150	0
Installation of irrigation system Klapmuts	200	0	200	0
Idas Valley replacement of cricket pitch B field	80	0	80	0
Purchase of sports equipment	20	0	20	0
Installation of pre-paid meters at all fields	150	0	150	0
Equipment at sports stadiums: Raithby and Jamestown	145	0	145	0

Table 140: Capital Expenditure 2011/12: Sport Grounds and Swimming Pools

3.28 COMMUNITY HALLS, FACILITIES AND THUSONG CENTRES

Stellenbosch is the proud owner of two top class Town Halls and nine Community facilities which cater for local residents, national and international visitors.

Our facilities are available three hundred and sixty five (365) days per annum and can be booked for events such as meetings, weddings, training sessions, conferences, community and social events.

3.28.1 CAPITAL EXPENDITURE – COMMUNITY HALLS

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Furniture: Halls	50	0	50	0

Table 141: Capital Expenditure 2011/12: Community halls

COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

This component includes: corporate policy offices, financial services, human resource services, ICT services, property services.

3.29 FINANCIAL SERVICES

Debt Recovery			
Details of the types of account raised and recovered	2011/12		
	Billed in Year	Actual for accounts billed in year	Proportion of accounts value billed that were collected
	R		%
Property Rates	187 749 107	187 752 146	100
Electricity	275 538 885	271 981 695	99
Water	99 329 982	94 590 040	95
Sanitation	37 352 010	35 563 086	95
Refuse	30 772 136	28 596 776	93
Other	51 995 225	48 158 265	93
<i>The proportion of account value billed is calculated by taking the total value of the year's revenues collected against the bills raised in the year by the year's billed revenues.</i>			

Table 142: Service Standards for Financial Services

3.30 PROCUREMENT SERVICES

An effective supply chain management system must give effect to the five pillars in terms of the Constitution which is fair, equitable, transparent, competitive and cost-effective. Certain challenges were identified throughout the year and below are a table to indicate the performance. All processes followed, is aligned to the legislative requirements

3.31 HUMAN RESOURCE SERVICES

The main aim of HR services for Stellenbosch municipality is to ensure that the correct number of employees, with the required skills, in the correct place and post level at the right time is available to the organisation to ensure effective and efficient service delivery to the community.

Each functional manager – each departmental head, section head, superintendent, foreman, supervisor and team leader – is responsible for setting objectives, delegating responsibilities, planning, motivating, development of skills and career paths/succession planning, measuring of performance, and general guidance of their staff. In this endeavours line management will be assisted by Human Resources Services who will provide policy, guidelines, support, systems and specialized inputs. This assistance is in essence a service, control and advisory function.

Main focus priorities for 11/12 for HR Services were:

- Introduction of a bio-metric time and attendance system
- Finalisation of Human Resources Management Policies

3.31.1 CAPITAL EXPENDITURE – HUMAN RESOURCE SERVICES

No capital projects were initiated by HR in this year. Capital expenditure was for assets below R 30 000 for each purchase.

- Implementation of electronic biometric
- Time and Attendance system for all staff in all the various towns and workplaces.
- Hosting of the annual Wellness day for all staff.

3.32 INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

The ICT department have committed their time in the 2011/2012 financial year to improve the physical security of the ICT infrastructure. We have installed bio metric access control systems in the server room

3.32.1 SERVICE STATISTICS – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Details	2010/11	2011/12		2012/13
	Actual	Estimate	Actual.	Estimate
	%			
Ensure the availability of the network to ensure effective ICT systems for municipal processes	87	100	99	100
Provide ICT support to all municipal departments by attending to requests within 4 working days	95	100	95	99
Connecting all municipal sites to the ICT network	100	100	100	100

Table 143: Service Data for Information and Communication Technology (ICT) Services

3.32.2 CAPITAL EXPENDITURE – INFORMATION AND COMMUNICATION TECHNOLOGY (ICT) SERVICES

Capital Projects	2011/12			
	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget
R'000				
Purchasing and replacement of new computer systems, equipment, software, etc.	1 500	1 568	1 581	-81

Table 144: Capital Expenditure 2011/12: Information and Communication Technology (ICT) Services

3.33 LEGAL SERVICES

Manages the implementation, monitoring, evaluation and reporting sequences of outcomes associated with programmes designed to accomplish key service delivery objectives with respect to Legal Services through the co-ordination of operations against departmental, statutory and audit guidelines in order to ensure that legal services are managed and maintained in accordance with laid down quality standards and customer focussed to ensure legal compliance and provide legal direction in ensuring effective and efficient service delivery.

The main objectives are as follows:

- All new legislation and proclamations distributed to all Departments
- Promulgate by-laws
- Provide legal opinions and input on policies, contracts, agreements, legislation, by-laws and authorities

The major efficiency in this department was the lack of staff and in order to address this efficiency the post Legal Administrative Official has been approved and advertised.

There is also a lack of inter-departmental communications and this will be addressed via regular meetings with the various departments.

3.33.1 CAPITAL EXPENDITURE –LEGAL SERVICES

No capital budget was allocated to Legal Services for the 2011/12 financial year.

3.34 PROPERTY MANAGEMENT

3.34.1 CONTRACT MANAGEMENT – PROPERTY MANAGEMENT

This Section is responsible for the Management of Council's land and buildings, i.e. acquisition, awarding of rights and disposal thereof, excluding any housing rental stock and housing projects.

The management of office accommodation is also done by this section.

3.34.2 FACILITIES MANAGEMENT – PROPERTY MANAGEMENT

This section is responsible for the maintenance of Council-owned buildings, including housing rental stock as well as the project management of projects on Council-owned land, excluding housing projects.

3.34.3 SERVICE STATISTICS – PROPERTY MANAGEMENT

Details	2011/12
	Actual No.
Encroachment Agreements: New	36
Encroachment Agreements: Renewals	24

Lease Agreements: New	2
Lease Agreements: Renewals	5
Sales Agreements	1
Servitudes	20
Poster applications	85

Table 145: Service Data for Property Management

3.34.4 CAPITAL EXPENDITURE – PROPERTY MANAGEMENT

Capital Projects	2011/12			
	Original Budget	Adjustment Budget	Actual Expenditure	Actual Spend
	R'000			%
Capital requirements related to the appointment of new personnel as per organogram	85	185	166	90
Groendal Resource Centre	750	0	0	0
Upgrading of office space – Reception Area	200	200	195	97
Klapmuts Community Centre	1 200	200	142	71
Structural Maintenance & Improvements: Flats	1 800	1 023	973	95
Structural Maintenance & Improvements: Historic Buildings	600	435	136	31
Mooiwater Youth Centre	250	290	87	30
Triangle Site Franschhoek - Development	50	0	0	0
La Motte Sport Clubhouse	60	10	9	88
Wemmershoek Sport Clubhouse	60	10	9	88
New Office Space	1 200	1 200	1 199	99
Rhenish Complex: Re Development Strategy/Implementation	300	0	0	0
Structural Maintenance: General	400	2 157	2 143	99
Total	696	5 711	5 058	89

Table 146: Capital Expenditure 2011/12: Property Management

CHAPTER 4: ORGANISATIONAL DEVELOPMENT PERFORMANCE

4.1 NATIONAL KEY PERFORMANCE INDICATORS – MUNICIPAL TRANSFORMATION AND ORGANISATIONAL DEVELOPMENT

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organisational Development.

KPA& INDICATORS	MUNICIPAL ACHIEVEMENT	MUNICIPAL ACHIEVEMENT
	2010/11	2011/12
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	6	2
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	48	49

Table 147: National KPIs– Municipal Transformation and Organisational Development

4.2 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The Stellenbosch Municipality currently employs **1 073 (excluding non-permanent positions)** officials, who individually and collectively contribute to the achievement of Municipality's objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

4.3 EMPLOYMENT EQUITY

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan"

4.3.1 EMPLOYMENT EQUITY

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
334	334	353	628	628	644	0	0	0	111	111	97

Table 148: 2011/12 EE targets/Actual by racial classification

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
736	736	752	337	337	342	7	7	7

Table 149: 2011/12 EE targets/actual by gender classification

4.3.2 EMPLOYMENT EQUITY VS. POPULATION

Description	Black	Coloured	Indian	White	Other	Total
Population numbers	43 716	81 361	623	28 741	1 290	155 731
% Population	28	52	0.4	18	0.8	100
Number for positions filled for the 2011/12 financial year	12	29	0	8	0	49
% for Positions filled	24	59	0	16	0	100

Table 150: EE population 2011/12

4.3.3 OCCUPATIONAL CATEGORIES – RACE

Below is a table that indicate the number of employees by race within the specific occupational categories:

Posts filled									
Occupational categories	Male				Female				Total
	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	7	23	0	13	7	9	0	3	62
Professionals	7	31	0	11	13	23	0	7	92
Technicians and associate professionals	2	14	0	11	4	1	0	1	33
Clerks	18	51	0	8	46	105	0	26	254
Service and sales workers	18	39	0	14	15	16	0	3	105
Craft and related trades workers	5	29	0	10	0	0	0	0	44
Plant and machine operators and assemblers	15	38	0	2	2	0	0	0	57
Elementary occupations	144	224	0	2	31	25	0	0	426
Total permanent	216	449	0	71	118	179	0	40	1073
Non- permanent	61	63	0	3	41	30	0	0	198
Grand total	277	512	0	74	159	209	0	40	1271

Table 151: Occupational Categories

4.3.4 OCCUPATIONAL LEVELS - RACE

The table below categories the number of employees by race within the occupational levels:

Occupational Levels	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management& Councillors	5	14	0	12	6	7	0	4	48
Senior management	4	16	0	8	3	5	0	4	40
Professionally qualified and experienced specialists and mid- management	8	30	0	17	8	15	0	9	87
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	52	161	0	30	55	94	0	25	417
Semi-skilled and discretionary decision making	70	101	0	2	15	25	0	0	213
Unskilled and defined decision making	88	127	0	0	27	26	0	0	268
Total permanent	227	449	0	69	114	172	0	42	1 073
Non- permanent employees	61	63	0	3	41	30	0	0	198
Grand total	288	512	0	72	155	202	0	42	1 271

Table 152: Occupational Levels

4.3.5 DEPARTMENTS - RACE

The following table categories the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Office of the Mayor	4	12	0	9	7	8	0	3	43
Office of the Municipal Manager	1	12	0	1	6	10	0	2	32
Financial Services	10	28	0	3	19	30	0	9	99
Planning and Housing	7	35	0	7	17	20	0	7	93
Strategic and Corporate Services	7	13	0	2	8	18	0	1	49
Community Safety	21	50	0	18	18	35	0	6	148
Community Services	63	65	0	4	27	37	0	8	204
Engineering services	103	234	0	28	16	20	0	4	405
Total permanent	216	449	0	72	118	178	0	40	1 073
Non- permanent	61	63	0	3	41	30	0	0	198
Grand total	277	512	0	75	159	208	0	40	1271

Table 153: Department - Race

4.4 VACANCY RATE

The approved organogram for the municipality had **1141 (funded posts)** posts for the 2011/12 financial year. The actual positions filled are indicated in the tables below by post level and by functional level. **68** Posts were vacant at the end of 2011/12, resulting in a vacancy rate of **5.95%**.

Below is a table that indicates the vacancies within the municipality:

PER POST LEVEL		
Post level	Filled	Vacant
MM & MSA section 57 & 56	48	1
Middle management	40	5
Professionals	87	15
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	417	18
Unskilled and defined decision making	481	29
Total	1 073	68
PER FUNCTIONAL LEVEL		
Functional area	Filled	Vacant
Office of the Mayor's Office	43	0
Office of the Municipal Manager	32	0
Financial Services	99	8
Planning and Housing	93	5
Corporate and Social Services	49	7
Community Safety	148	5
Community Services	204	12
Engineering Services	405	31
Total	1 073	68

Table 154: Vacancy rate per post and functional level

Note: Vacant funded posts as on and of November 2012

4.5 TURNOVER RATE

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that shows the turnover rate within the municipality. The turnover rate shows a **decrease** from **8.23%** in 2010/11 to **5.68%** in 2011/12.

The table below indicates the turn-over rate over the last three years:

Financial year	Total no appointments at the end of each Financial Year	New appointments	Number Terminations during the year	Turn-over Rate
2010/11	1083	75	89	8.23%
2011/12	1073	49	61	5.68 %

Table 155: Turnover Rate

Note: Including Councillors

The reason for the decrease in the turnover rate for the 2011/12 financial year is because there were less retirements, dismissals and resignations.

4.6 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

4.6.1 INJURIES

An occupational injury is a personal injury, disease or death resulting from an occupational accident. Compensation claims for such occupational injuries are calculated according to the seriousness of the injury/disease and can be costly to a municipality. Occupational injury will influence the loss of man hours and therefore financial and productivity performance.

The injury rate shows a slight **decrease** for the 2011/12 financial year from **162** employees injured in 2010/11 against **33** employees in the 2011/12 financial year.

The table below indicates the total number of injuries within the different directorates:

Directorates	2010/11	2011/12
Office of the Municipal Manager	0	0
Financial Services	2	1
Planning and Economic Development Services	1	2
Strategic and Corporate Services	4	3
Community Services	43	10
Engineering Services	112	17
Total	162	33

Table 156: Injuries

Injuries in the Operational Services are normally higher due to the nature of work and the constant handling of equipment and machinery.

4.6.2 SICK LEAVE

The number of day's sick leave taken by employees has service delivery and cost implications. The monitoring of sick leave identifies certain patterns or trends. Once these patterns are identified, corrective action can be taken.

The total number of employees that have taken sick leave during the 2011/12 financial year shows an **increase** when comparing it with the 2010/11 financial year.

The table below indicates the total number sick leave days taken within the different directorates:

Department	2010/11	2011/12
Office of the Municipal Manager	38	135
Financial Services	740	790
Planning and Housing	814	907
Corporate and Social Services	390	630
Community Safety	1314	1329
Environmental Affairs	2113	1888
Engineering Services	3554	3364
Total	8 963	9 043

Table 157: Sick Leave

4.6.3 HR POLICIES AND PLANS

Policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the managing of staff.

The table below shows the HR policies and plans that are approved and that still needs to be developed:

Approved policies	
Name of policy	Date approved/ revised
Recruitment and Selection	August 2008
Leave Policy Guideline and Procedures	August 2008
Overtime and Standby Policy Guidelines and Procedures	August 2008
Occupational Health and Safety Policy	August 2008
HIV AIDS Policy	August 2008
Guidelines for Official Parking	August 2008
Staff Attraction and Retention Policy	August 2008
Smoking Policy	August 2008
Skills Development Policy	August 2008
Minimum Service Level Agreement on Essential Services	August 2008
Policies still to be developed	
Name of policy	Proposed date of approval
Employment Equity Plan	30 June 2013
Attendance and Punctuality Policy	30 June 2013

Name of policy	Date approved/ revised
Cell phone Policy	30 June 2013
Chronic Illness Policy	30 June 2013
Sports Structure Policy	30 June 2013
Education, Training and Development Policy	30 June 2013
Employee Study Aid and Leave Policy	30 June 2013
Housing Scheme Rules Policy	30 June 2013
Incapacity Policy	30 June 2013
Induction Policy	30 June 2013
Nepotism Policy	30 June 2013
Policy on Memorial Services	30 June 2013
Proposed Scares Skills Policy	30 June 2013
Redeployment Policy	30 June 2013
Student and Intern Policy	30 June 2013
Student Assistance Policy	30 June 2013
Substance Abuse Policy	30 June 2013
Succession Planning and Career Path Policy	30 June 2013
Termination of Services Policy	30 June 2013
Travel and Removal Expense Policy	30 June 2013
Uniform and Protective Clothing Policy	30 June 2013
Unpaid Leave Policy	30 June 2013
Use of Official Vehicles Policy	30 June 2013
Whistle Blowing Policy	30 June 2013
Work Related Functions Policy	30 June 2013
Structured Overtime Policy	30 June 2013
Proposed Policy on Imprisoned Employees	30 June 2013
Policy on Employment on a 5/8 Basis	30 June 2013

Table 158: HR policies and plans

The Human Resources department submits policies to the Local Labour Forum on a regular basis for review purposes.

4.7 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that a municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this purpose the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

4.7.1 SKILLS MATRIX

The table below indicates the number of employees that received training in the year under review:

Management level	Gender	Number of employees identified for training at start of the year	Number of Employees that received training
MM and S57	Female	0	1
	Male	0	6
Legislators, senior officials and managers	Female	2	2
	Male	8	15
Associate professionals and Technicians	Female	6	5
	Male	48	44
Professionals	Female	21	38
	Male	18	34
Clerks	Female	86	140
	Male	31	49
Service and sales workers	Female	34	14
	Male	75	33
Craft and related trade workers	Female	Included in Associate Professionals and Technicians	Included in Associate Professionals and Technicians
	Male	Included in Associate Professionals and Technicians	Included in Associate Professionals and Technicians
Plant and machine operators and assemblers	Female	1	2
	Male	27	20
Elementary occupations	Female	29	18
	Male	178	104
Sub total	Female	179	220
	Male	385	305
Total		564	525

Table 159: Skills Matrix

4.7.2 SKILLS DEVELOPMENT – TRAINING PROVIDED

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% variance
MM and S57	Female	0	0	1	0	1	0	-
	Male	0	0	6	0	6	0	-
Legislators, senior	Female	0	0	2	2	2	2	0.00

Occupational categories	Gender	Training provided within the reporting period						
		Learnerships		Skills programmes & other short courses		Total		
		Actual	Target	Actual	Target	Actual	Target	% variance
officials and managers	Male	0	0	15	8	15	8	87.50
Professionals	Female	0	0	38	21	38	21	-80.95
	Male	0	0	34	18	34	18	-88.88
Technicians and associate professionals	Female	0	0	5	6	5	6	16.67
	Male	0	0	44	48	44	48	8.33
Clerks	Female	0	0	140	86	140	86	-62.79
	Male			49	31	49	31	-58.06
Service and sales workers	Female	0	0	15	34	15	34	55.88
	Male	0	0	33	75	33	75	56.00
Plant and machine operators and assemblers	Female	0	0	2	1	2	1	-100
	Male	0	0	20	27	20	27	25.93
Elementary occupations	Female	5	2	13	27	18	29	37.93
	Male	17	36	87	142	104	178	41.57
Sub total	Female	5	2	216	177	221	179	-23.46
	Male	17	36	288	349	305	385	20.78
Total		22	38	503	526	525	564	6.74

Table 160: Skills Development

4.7.3 SKILLS DEVELOPMENT - BUDGET ALLOCATION

The table below indicates that a total amount of **R2 189 347.00** were allocated to the workplace skills plan and that **49%** of the total amount was spent in the 2011/12 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spent
R 2 189 347	R 2 189 347	R 1 074 562	49

Table 161: Budget allocated and spent for skills development

4.8 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

4.8.1 PERSONNEL EXPENDITURE

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past three financial years and that the municipality is well within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage
	R'000		%
2010/11	215 099	737 087	29%
2011/12	226 459	797 161	28%

Table 162: Personnel Expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2010/11	2011/12		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
<u>Councillors (Political Office Bearers plus Other)</u>				
Executive Mayor	602	676	676	470
Deputy Executive Mayor	48	498	498	376
Mayoral Committee Members	3 228	3 982	3 982	2 672
Speaker	486	529	529	328
Councillors	5 317	6 564	6 564	8 279
Sub Total - Councillors	9 681	12 249	12 249	12125
% increase/ (decrease)	-	26.53	0.00	-1.01
<u>Senior Managers of the Municipality</u>				
Annual Remuneration	5 327	7 177	7 177	5 277
Acting Allowance	0	0	0	588
Car Allowance	345	581	581	366
Settlement Payment	0	0	0	0
Bonus & Long Service Bonus	0	0	0	0
Performance Bonus	0	0	0	0
Contribution to UIF, Medical & Pension	981	1 356	1 356	966
Housing Subsidy	18	19	19	0
Telephone Allowance	40	71	71	54
Other Benefits and Allowances	0	105	105	0
Leave Pay-Out	0	0	0	74
Sub Total - Senior Managers of Municipality	6 711	9 309	9 309	7 325
% increase/ (decrease)	-	38.71	0.00	-21.31
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	138 027	160 375	160 375	144 017
Contribution to UIF, Medical & Pension	35 294	36 687	36 687	36 581

Financial year	2010/11	2011/12		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Motor vehicle allowance	6 792	8 207	8 207	7 787
Cell phone allowance	480	470	470	490
Housing allowance	1 338	1 654	1 654	1 398
Overtime	8 403	6 529	6 529	9 440
Other benefits or allowances	18 054	9 644	8 295	19 420
Sub Total - Other Municipal Staff	208 388	223 566	222 217	219 133
% increase/ (decrease)	-	7.28	-0.60	-1.39
Total Municipality	224 780	245 124	243 775	238 583
% increase/ (decrease)	-	9.05	-0.55	-2.13

Table 163: Personnel Expenditure

CHAPTER 5: FINANCIAL PERFORMANCE

COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of financial performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

5.1 FINANCIAL SUMMARY

The table below indicates the summary of the financial performance for the 2011/12 financial year:

Description	2010/11	2011/12			2011/12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Financial Performance						
Property rates	183291	181548	185549	189497	4.38	2.13
Service charges	454 861	476510	479010	506102	6.21	5.66
Investment revenue	19 757	18 592	18 592	23492	26.36	26.36
Transfers recognised - operational	60 304	75 500	65 653	55599	-26.35	-15.31
Other own revenue	52 666	54 041	54 041	55 182	2.11	2.11
Total Revenue (excluding capital transfers and contributions)	770 879	806191	802843	829873	2.94	3.37
Employee costs	215 099	232877	231533	226459	-2.76	-2.19
Remuneration of councillors	9 681	12 249	12 249	12 125	-1.01	-1.01
Depreciation & asset impairment	105 708	111681	111681	103711	-7.14	-7.14
Finance charges	3 752	7 400	7 400	6 344	-14.27	-14.27
Materials and bulk purchases	173 671	219189	223269	216534	-1.21	-3.02
Transfers and grants	565	22 462	24162	300	-98.66	-98.76
Other expenditure	228 611	236942	229185	231688	-2.22	1.09
Total Expenditure	737 087	842801	839480	797161	-5.42	-5.04
Surplus/(Deficit)	33 792	-36610	-36637	32712	-189.35	-189.29
Transfers recognised - capital	36 484	49 955	56 993	56641	-13.88	-0.62
Contributions recognised - capital & contributed assets	0	0	0	0	0	0
Surplus/(Deficit) after capital transfers & contributions	70 275	13 345	20 356	89353	-569.56	338.95
Share of surplus/ (deficit) of associate	0	0	0	0	0	0
Surplus/(Deficit) for the year	70 275	13 345	20 356	89353	569.56	338.95
Capital expenditure & funds sources						
Capital expenditure						

Description	2010/11	2011/12			2011/12 Variance	
	Actual (Audited Outcome)	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Transfers recognised - capital	28 635	49 955	56 993	49 159	1.6	-13.7
Public contributions & donations	7 849	7 593	7 685	6 975	-8.1	-9.2
Borrowing	25 006	47 048	59 335	36 950	-21.5	-37.7
Internally generated funds	51 205	94 470	86 090	80 071	-15.24	-7.0
Total sources of capital funds	112 695	199066	210104	173155	-13.0	-17.4
Financial position						
Total current assets	439689	418253	435827	491746	17.6	12.8
Total non-current assets	3374232	3264464	3275502	3490390	6.9	6.6
Total current liabilities	182429	127864	127864	167930	31.3	31.3
Total non-current liabilities	219292	273368	281942	281034	2.8	-0.3
Community wealth/Equity	3412264	3281486	3301522	3533181	7.7	7.0
Cash flows						
Net cash from (used) operating	185068	122388	129139	189854	55.1	47
Net cash from (used) investing	-108086	-191473	-202511	-182050	-4.9	-10.1
Net cash from (used) financing	1741	43 335	55 622	41316	-4.7	-25.7
Cash/cash equivalents at the year end	325029	289706	307279	374148	29.1	21.8
Asset management						
Asset register summary (WDV)	3189 013	3263514	3274552	3489 683	0.33	69.3
Depreciation & asset impairment	97 737	111681	111681	103 711	-7.2	-7.2
Renewal of Existing Assets	0	76152	102355	84 355	10.77	-17.6
Repairs and Maintenance	38 217	61177	58489	49 515	-19.06	-15.34
Free services						
Cost of Free Basic Services provided	34 272	36977	36977	36 977	0	0
Revenue cost of free services provided	67 325	73915	62914	62 914	0	0

Table 164: Financial Performance 2011/12

The table below shows a summary of performance against budgets

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000				R'000			
2010/11	722 207	807 363	85 156	12%	748 607	737 087	(11 520)	-2%
2011/12	859 836	886 514	26 678	3%	839 480	797 161	42 319	-5%

Table 165: Performance against budgets

Council succeeded to obtain higher revenue than budgeted for and managed to keep the operating expenditure below the

amount budgeted for.

5.1.1 REVENUE COLLECTION BY VOTE

The table below indicates the Revenue collection performance by vote:

Vote Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Municipal Manager	1	1	1	149	14800	14800
Planning and Development	35 117	57 305	39 609	35 253	-38	-11
Community Services	5 754	4 956	5 160	4 394	-11	-15
Public Safety	20 602	23 184	23 684	18 453	-20	-22
Engineering Services	515 151	526 013	542 314	590 668	12	9
Corporate Services	1 804	3 752	4 133	1 294	-66	-69
Financial Services	228 933	240 935	244 935	236 303	-2	-4
Total Revenue by Vote	807 362	856 146	859 836	886 514	4	3

Table 166: Revenue by Vote

5.1.2 REVENUE COLLECTION BY SOURCE

The table below indicates the Revenue collection performance by source for the 2011/12 financial year:

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Property rates	183 291	179 197	183 197	189497	6	3
Property rates - penalties & collection charges	2 794	2 351	2 351	2919	24	24
Service Charges - electricity revenue	302 890	332 001	332 001	332365	0	0
Service Charges - water revenue	82 233	69 677	72 177	93668	34	30
Service Charges - sanitation revenue	42 709	46 896	46 896	49313	5	5
Service Charges - refuse revenue	26 949	27 936	27 936	30523	9	9
Service Charges - other	80	0	0	233	0	0
Rentals of facilities and equipment	11 283	13 236	13 236	11706	-12	-12
Interest earned - external investments	19 757	18 592	18 592	23492	26	26
Interest earned - outstanding debtors	3 828	4 696	4 696	4035	-14	-14
Dividends received	0	0	0	0	0	0
Fines	14 061	16 474	16 474	11134	-32	-32
Licences and permits	4 019	4 483	4 483	4821	8	8
Agency services	990	1 117	1 117	1185	6	6

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Transfers recognised - operational	60 305	75 500	65 653	55599	-26	-15
Other revenue	15 689	14 036	14 036	19382	38	38
Gains on disposal of PPE	0	0	0	0	0	0
Environmental Protection	0	0	0	0	0	0
Total Revenue (excluding capital transfers and contributions)	770879	806191	802843	829873	3	3

Table 167: Revenue by Source

5.1.3 OPERATIONAL SERVICES PERFORMANCE

The table below indicates the Operational services performance for the 2011/12 financial year:

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Operating Cost						
Water	23 825	5182	11 060	29 525	82	63
Waste Water (Sanitation)	21 702	16 964	26 537	29 233	42	9
Electricity	45 307	27 819	22 151	32 609	15	32
Waste Management	13 926	12 373	6 483	13 590	9	52
Housing	(6 150)	12 051	5 441	10 176	-18	47
Component A: sub-total	98 609	74 389	71 671	115 132	35	38
Waste Water (Storm water Drainage)	(8 053)	(8 533)	(6 751)	(9 597)	11	30
Roads	(18 763)	(38 005)	(28 353)	(27 149)	-40	-4
Transport	0	0	0	0	0	0
Component B: sub-total	(26 816)	(46 538)	(35 103)	(36 746)	-27	4
Planning (Strategic &Regulatory)	(11 214)	(17 216)	(14 554)	(13 656)	-26	-7
Local Economic Development	(2 825)	(2 837)	(3 237)	(2 940)	4	-10
Component C: sub-total	(14 039)	(20 052)	(17 791)	(16 596)	-21	-7
Community & Social Services	(23 560)	(28 994)	(31 314)	(29 895)	3	-5
Environmental Protection	0	0	0	0	0	0
Health	(1 718)	(2 240)	(2 240)	(1 837)	-22	-22
Security and Safety	(36 209)	(37 325)	(38 437)	(41 288)	10	7
Sport and Recreation	(20 104)	(18 440)	(18 690)	(19 273)	4	3
Corporate Policy Offices and Other	99 663	92 544	92 260	119 855	23	23
Component D: sub-total	18 072	5 547	1 579	27 563	80	94

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Original Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000				%	
Total Performance	75 827	13 345	20 356	89 352	85	77

Table 168: Operational Services Performance

Although some variances are experienced within certain services, the net result thereof amount to a surplus of R 89 million compared to a budgeted surplus of R 20.3 million.

5.2 FINANCIAL PERFORMANCE PER MUNICIPAL FUNCTION

5.2.1 MUNICIPAL MANAGER'S OFFICE

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1	1	1	149	14800
Expenditure:					
Employees	7 936	10 027	10 006	8 261	-17
Repairs and Maintenance	11	24	24	7	70
Other	11 784	8 387	11 822	9 177	-22
Total Operational Expenditure	19 731	18 438	21 853	17 445	-20
Net Operational (Service)	(19 730)	(18437)	(21852)	(17296)	-21

Table 169: Financial Performance: Municipal Manager's Office

5.2.2 PLANNING AND DEVELOPMENT

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	35 830	57 305	39 609	40 708	3
Expenditure:					
Employees	25 620	27 689	26 289	26 733	2
Repairs and Maintenance	5 157	5 633	7 111	10 729	51
Other	35 904	39 874	27 063	11 556	-57
Total Operational Expenditure	66 680	73 196	60 463	49 017	-19

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Net Operational (Service)	(30 850)	(15 891)	(20 854)	(8 309)	-60

Table 170: Financial Performance: Planning and Development

5.2.3 COMMUNITY SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	7 843	4 956	5 160	6 085	18
Expenditure:					
Employees	32 917	35 735	35 735	34 208	-4
Repairs and Maintenance	9 454	10 462	11 268	10 348	-8
Other	9 390	6 337	7150	10 645	49
Total Operational Expenditure	51 761	52 534	54 154	55 202	2
Net Operational (Service)	(43 917)	(47 578)	(48 994)	(49 118)	0

Table 171: Financial Performance: Community Services

5.2.4 ENGINEERING SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	515 151	526 013	542 314	590 668	9
Expenditure:					
Employees	66 757	72 526	72 561	73 348	1
Repairs and Maintenance	32 276	43 013	38 090	34 136	-10
Other	345 529	406 696	413 221	424 229	3
Total Operational Expenditure	444 562	522 235	523 872	531 712	1
Net Operational (Service)	70 589	3 778	18 442	58 955	220

Table 172: Financial Performance: Engineering Services

5.2.5 PUBLIC SAFETY

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	20 602	23 184	23 684	18 453	-22
Expenditure:					
Employees	41 551	44 337	44 339	44 523	0
Repairs and Maintenance	1 070	1 357	1 308	1 219	-7
Other	13 849	14 323	15 983	13 940	-13
Total Operational Expenditure	56 469	60 017	61 630	59 682	-3
Net Operational (Service)	(35 867)	(36 833)	(37 946)	(41 230)	9

Table 173: Financial Performance: Public Safety

5.2.6 CORPORATE SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	1 804	3 752	4 133	1 293	-69
Expenditure:					
Employees	22 001	15 806	15 796	16 923	7
Repairs and Maintenance	190	226	226	100 118	44200
Other	8 497	31 736	32 570	30 859	-5
Total Operational Expenditure	30 689	47 768	48 592	47 883	-1
Net Operational (Service)	(28 884)	(44 016)	(44 459)	(46 589)	5

Table 174: Financial Performance: Corporate Services

5.2.7 FINANCIAL SERVICES

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Total Operational Revenue	228 933	240935	244935	236327	-4
Expenditure:					
Employees	23 620	26 757	26 799	26 232	-2
Repairs and Maintenance	129	463	463	215	-54

Description	2010/11	2011/12			
	Actual	Original Budget	Adjustment Budget	Actual	Variance to Budget
	R'000				%
Other	46 247	41 393	41 653	16 941	-59
Total Operational Expenditure	69 996	68 613	68 915	43 389	-37
Net Operational (Service)	158 937	172322	176020	192 939	10

Table 175: Financial Performance: Financial Services

5.3 GRANTS

5.3.1 GRANT PERFORMANCE

The table below indicates the Grant performance for the 2011/12 financial year:

The Municipality had a total amount of **R30 937 million** for operational expenditure available that was received in the form of grants from the National and Provincial Governments during the 2011/12 financial year. The performance in the spending of these grants is summarised as follows:

Description	2010/11	2011/12			2011/12 Variance	
	Actual	Budget	Adjust- ments Budget	Actual	Original Budget	Adjust- ments Budget
	R'000				%	
<u>Operating Transfers and Grants – Government Allocations</u>						
National Government:						
Equitable share	34 272	36 977	36 977	36 977	-	-
Municipal Systems Improvement	755	790	790	785	-0.63	-0.63
Finance Management Grant	1 013	1 250	1 250	1 236	-1.12	-1.12
Provincial Government:						
Housing (Top structures)	19 999	14 420	3 419	3 419	-76.28	-
Libraries	1 051	1 246	1 023	901	-27.68	-11.92
Community Development Workers	191	78	78	78	-	-
Other grant providers:						
Seta	267	1 220	1 220	504	-59	-59
Total Operating Transfers and Grants	57 548	55 981	44 757	43 900	-21.58	-1.91

Table 176: Grant Performance for 2011/12

5.3.2 CAPITAL GRANTS: EXCLUDING MIG

Details	Budget	Adjust- ments Budget	Actual	Variance		Major conditions applied by donor
				Budgets	Adjust- ments Budget	
	R'000			%		
Department of Human Settlements	44 221	18 889	15 999	-63.82	-15.29	Refer to DORA
Department of Transport	769	769	756	-	-1.69	Refer to Provincial Gazette
Total	99 245	99 245	61 450			

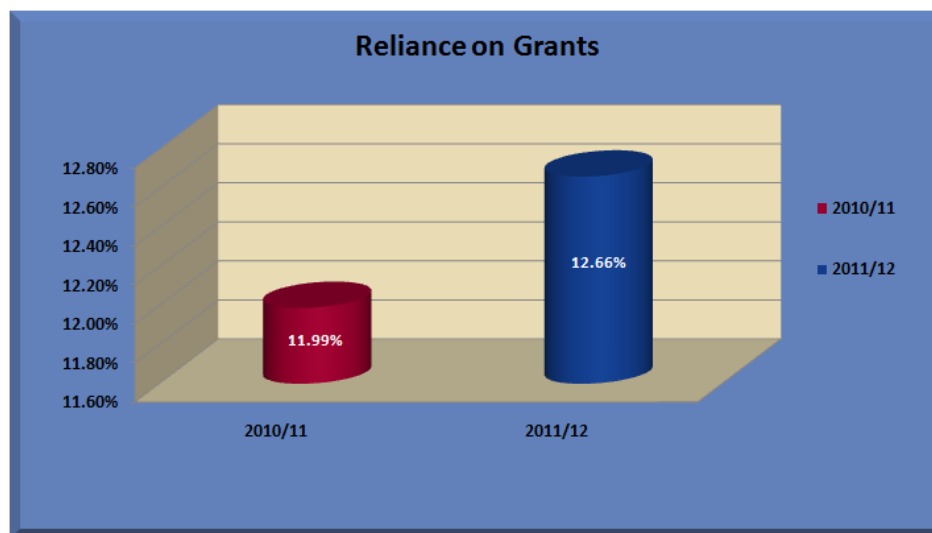
Table 177: Capital Grant (excl. MIG)

5.3.3 LEVEL OF RELIANCE ON GRANTS & SUBSIDIES

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000		%
2010/11	96 788	807 363	11.99
2011/12	112 239	886 514	12.66

Table 178: Reliance on grants

The following graph indicates the municipality's reliance on grants as percentage for the last three financial years



Graph 11: Reliance on grants as %

The reliance on grants and subsidies received from National- and Provincial Governments shows minimal change, this calculation includes capital grant funding. If the latter is to be excluded, the operational reliance on grant funding is as follows: 2010/2011 - 7.44% and 2011/2012 - 5.06%.

5.4 ASSET MANAGEMENT

Asset management is practiced within the organisation based on a comprehensive asset management policy. The Asset Management Policy provides direction for the management, accounting and control of Property, Plant & Equipment (Assets) owned or controlled by the municipality to ensure the following:

- implementation of the approved Asset Management Policy as required in terms of section 63 of the Municipal Finance Management Act (MFMA).
- verify assets in possession of the Council annually, during the course of the financial year.
- keep a complete and balanced record of all assets in possession of the Council.
- report in writing all asset losses, where applicable, to Council.
- those assets are valued and accounted for in accordance with a statement of GRAP.

5.4.1 TREATMENT OF THE THREE LARGEST ASSETS

Asset 1		
Name	Erf – FH 23 Pass Road (2524235- Asset ID)	
Description	Land earmarked for Housing Project	
Asset Type	Land & Buildings	
Key Staff Involved	Property Management & Asset Management	
Staff Responsibilities	Property Management – Building of Housing Project Asset Management – Control of asset logistics and financial implications	
Asset Value	2010/11	2011/12
	13 000 000.00	13 000 000.00
Capital Implications	Infrastructure build for Housing Project	
Future Purpose of Asset	Property to be used for proposed for development of Housing Project	
Describe Key Issues	Not applicable	
Policies in Place to Manage Asset	Yes	

Table 179: Summary of Largest Asset

Asset 2		
Name	Stellenbosch Polkadraai Scheme Water Network (2511443- Asset ID)	
Description	Water Pipes and connectors for water supply	
Asset Type	Supply & Reticulation – Water	
Key Staff Involved	Engineering Department & Asset Management	
Staff Responsibilities	Engineering – Repairs & maintenance. Replace of Pipelines Asset Management – Control of asset logistics and financial implications	
Asset Value	2010/11	2011/12
	12 236 486.30	11 969 746.86
Capital Implications	Financial implication w.r.t repairs & maintenance	
Future Purpose of Asset	To supply water to the community of Polkadraai	

Asset 2	
Describe Key Issues	Not applicable
Policies in Place to Manage Asset	Yes

Table 180: Summary of 2nd Largest Asset

Asset 3		
Name	Paradyskloof Reservoir	
Description	Reservoir	
Asset Type	Reservoir & Tanks	
Key Staff Involved	Engineering Department & Asset Management	
Staff Responsibilities	Engineering – Repairs & maintenance. Replace of Pipelines Asset Management – Control of asset logistics and financial implications	
Asset Value	2010/11	2011/12
	10 946 860.80	10 718 176.32
Capital Implications	Repairs & Maintenance	
Future Purpose of Asset	To store water for future usage	
Describe Key Issues	Not applicable	
Policies in Place to Manage Asset	Yes	

Table 181: Summary of 3rd Largest Asset

5.4.2 REPAIRS AND MAINTENANCE

Description	Original Budget	Adjustment Budget	Actual	Budget variance
	R'000			%
Repairs and Maintenance Expenditure	61 177	58 489	49 516	-15.34

Table 182: Repairs & Maintenance Expenditure

Note: the repairs and maintenance expenditure must reconcile with the operational repairs and maintenance expenditure for all services set out in chapter 3.

Repairs and maintenance represents 4.9% of total expenditure for 2011/12 and therefore below the norm of 20%, which indicate that expenditure on repairs and maintenance would have to be increased in future budgets to properly maintain Council's assets.

Furthermore, expenditure for 2011/12 on repairs and maintenance were also R6 508million or 17.1% below the adjustments budget which point to not all planned maintenance being carried out during 2011/12.

5.5 FINANCIAL RATIOS BASED ON KEY PERFORMANCE INDICATORS

5.5.1 LIQUIDITY RATIO

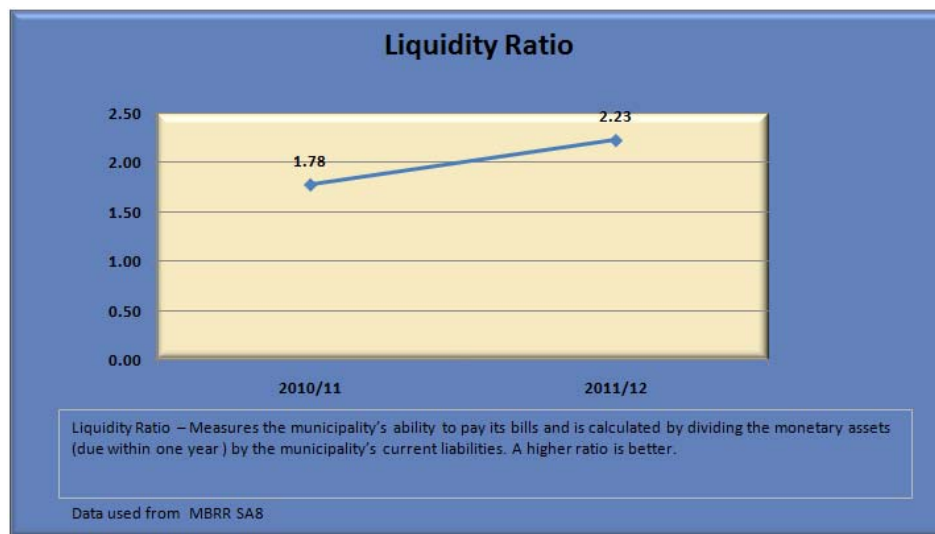
Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audit outcome
Current Ratio	Current assets/current liabilities	2.41	2.93
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.94	2.46
Liquidity Ratio	Monetary Assets/Current Liabilities	1.78	2.23

Table 183: Liquidity Financial Ratio

Assumption: Monetary Assets = Cash and cash equivalents

Stellenbosch Municipality is still functioning inside the acceptable liquidity norm. Whilst varied views and interpretation exist on what constitutes an acceptable norm for this ratio, the Stellenbosch Municipality deemed it more prudent to maintain a benchmark of at least a ratio of 2:1. The ratio for 2011/2012, apart from showing an improvement, also illustrates the municipality's ability to meet its short term obligations over the medium term and to maintain sound financial practices.

The following graph indicates the liquidity financial ratio for 2011/12:



Graph 12: Liquidity Ratio

5.5.2 IDP REGULATION FINANCIAL VIABILITY INDICATORS

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Audit outcome
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	6.7%	7.7%
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	13.6%	15.5%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	26.4	29.1

Table 184: Financial Viability National KPAs

5.5.2.1 COST COVERAGE

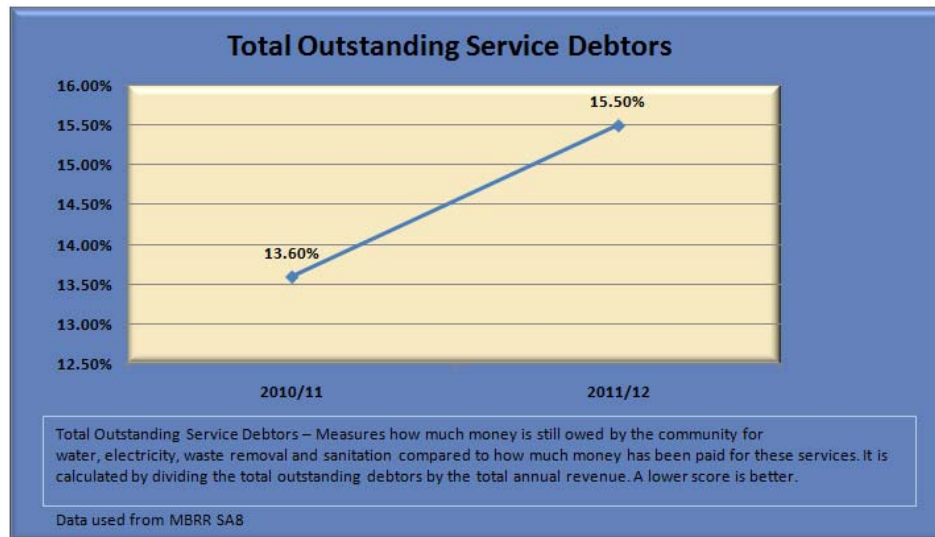
The following graph indicates the cost coverage financial viability indicator:



Graph 13: Cost Coverage

5.5.2.2 OUTSTANDING SERVICE DEBTORS TO REVENUE

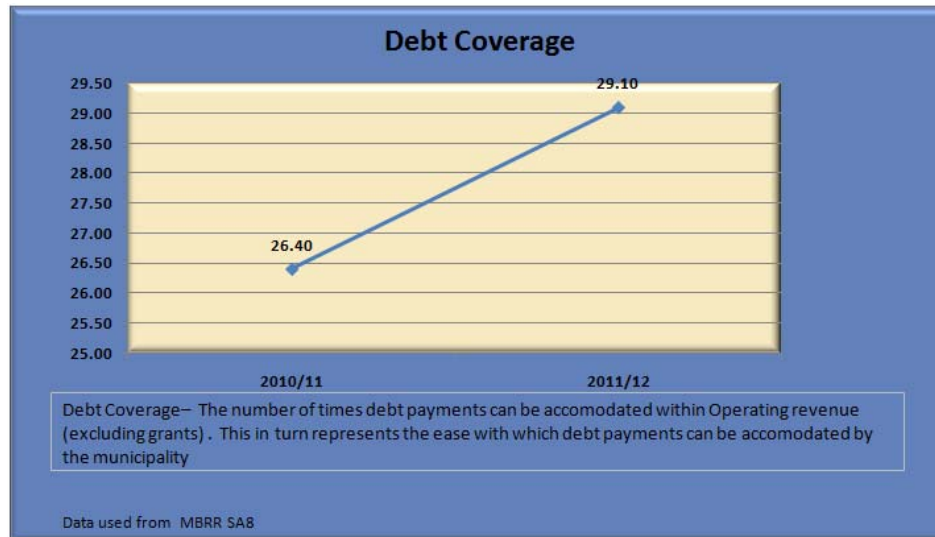
The following graph indicates the outstanding service to revenue financial viability indicator:



Graph 14: *Total Outstanding Service Debtors*

5.5.2.3 DEBT COVERAGE

The following graph indicates the debt coverage financial viability indicator:



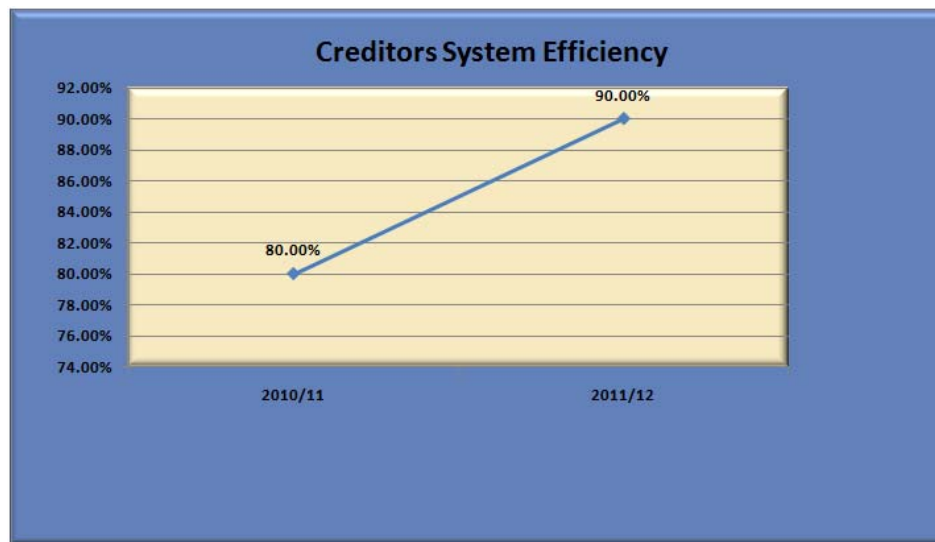
Graph 15: *Debt Coverage*

5.5.3 CREDITORS MANAGEMENT

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	80%	90%

Table 185: Creditors Management

The following graph indicates the percentage of all creditors paid within terms:



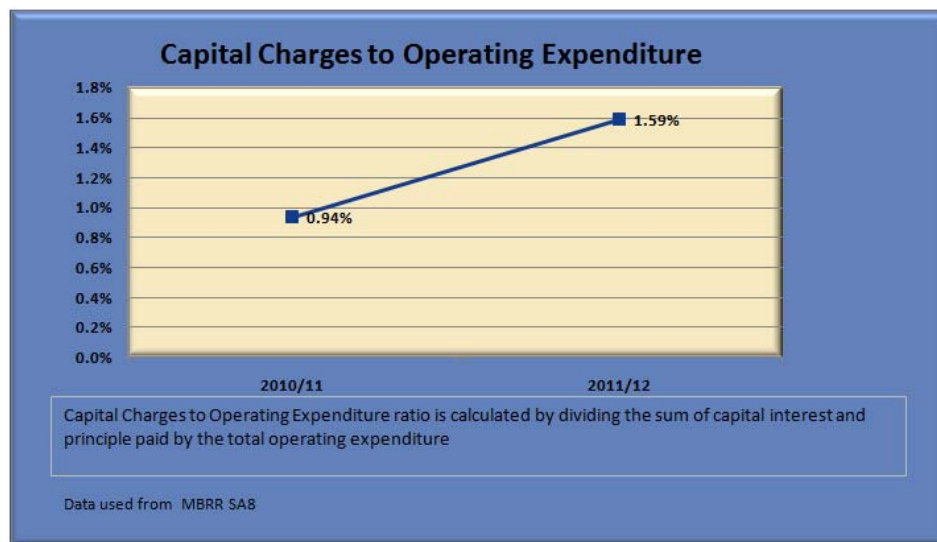
Graph 16: Creditors Ratio

5.5.4 BORROWING MANAGEMENT

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.94%	1.59%

Table 186: Borrowing Management

The following graph indicates the ratio of capital charges to operating expenditure:



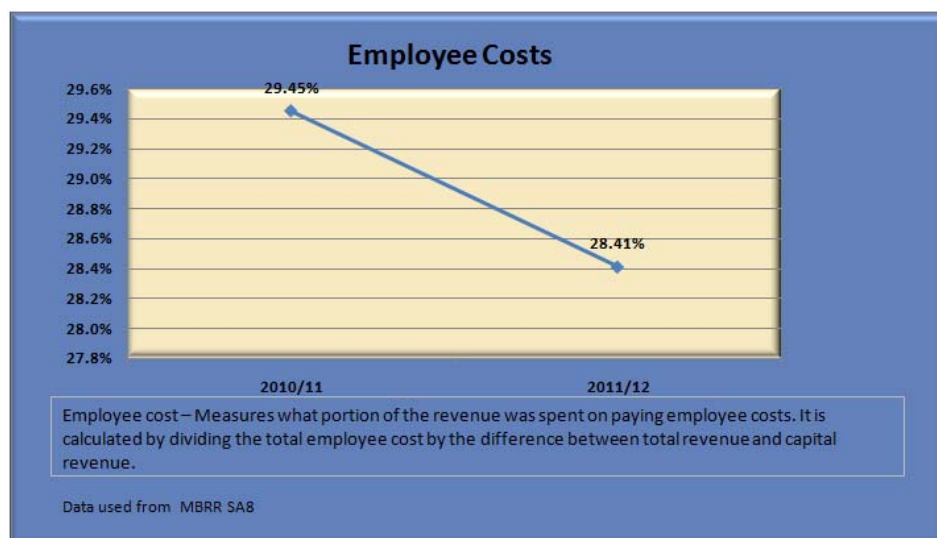
Graph 17: Capital Charges to Operating Expenditure Ratio

5.5.5 EMPLOYEE COSTS

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.45%	28.41%

Table 187: Employee Costs

The following graph indicates the employee costs ratio:



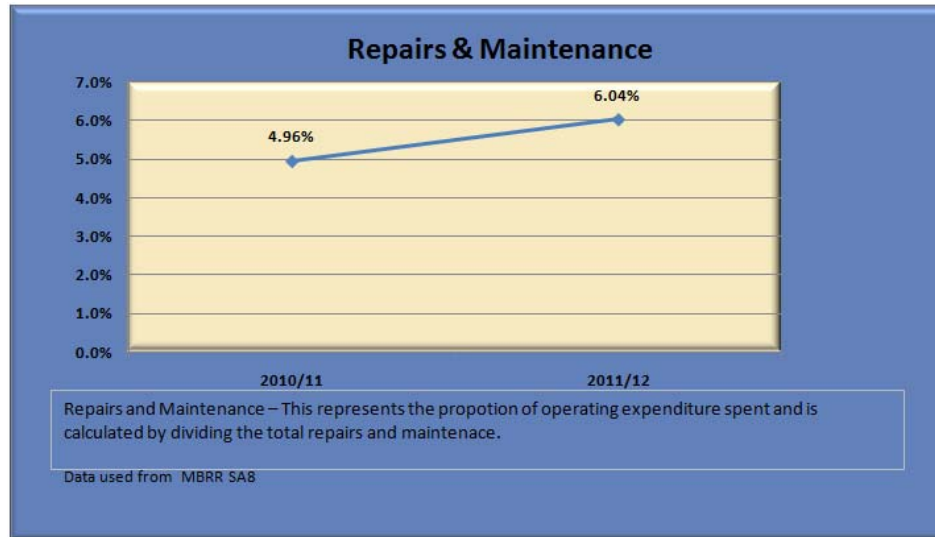
Graph 18: Employee Costs Ratio

5.5.6 REPAIRS & MAINTENANCE

Description	Basis of calculation	2010/11	2011/12
		Audited outcome	Pre-audit outcome
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	4.96%	6.04%

Table 188: Repairs and Maintenance

The following graph indicates the ratio of repairs and maintenance:



Graph 19: Repairs and Maintenance Ratio

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

Capital expenditure relates mainly to construction projects and purchasing of property, plant and equipment that will have value lasting over more than one year. Capital expenditure is funded from grants, borrowings and own funds. Component B deals with capital spending indicating where the funding comes from and whether municipalities are able to spend the available capital budget and subsequent funding as planned.

5.6 CAPITAL EXPENDITURE

5.6.1 CAPITAL EXPENDITURE BY ASSETS PROGRAMME

Description	2011/12			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
	R'000					
Infrastructure - Total	141 902	157 076	107 029	103 854	98 642	120 470
Infrastructure: Road transport - Total	13 262	23 463	22 694	12 358	14 315	12 825
<i>Roads, Pavements & Bridges</i>	11 462	21 663	21 937	12 358	14 315	12 825
<i>Storm water</i>	1 800	1 800	756	0	0	0
Infrastructure: Electricity - Total	24 138	30 233	10 536	21 135	4 500	4 500
<i>Generation</i>	0	0	0	0	0	0
<i>Transmission & Reticulation</i>	23 983	30 078	10 375	20 900	4 250	4 250
<i>Street Lighting</i>	155	155	160	235	250	250
Infrastructure: Water - Total	18 550	20 967	52 974	56 061	72 590	47 880
<i>Dams & Reservoirs</i>	8 450	8 885	5 691	1 820	4 900	1 900
<i>Water purification</i>	0	0	0	0	0	0
<i>Reticulation</i>	10 100	12 082	47 284	54 241	67 690	45 980
Infrastructure: Sanitation - Total	51 757	55 418	2 839	10 290	7 180	55 265
<i>Reticulation</i>	4 778	5 278	2 516	9 360	5 500	43 200
<i>Sewerage purification</i>	46 979	50 140	323	930	1 680	12 065
Infrastructure: Other - Total	34 195	26 995	17 986	4 010	57	0
<i>Waste Management</i>	29 570	22 370	17 141	1 950	0	0
<i>Transportation</i>	4 625	4 625	136	0	0	0
<i>Gas</i>	0	0	0	0	0	0
<i>Other</i>	0	0	709	2 060	57	0
Community - Total	39 551	35 295	26 287	12 475	54 695	51 705
<i>Parks & gardens</i>	2 610	2 227	1 938	725	3 015	955
<i>Sports fields& stadia</i>	3 295	6 186	421	0	0	0
<i>Swimming pools</i>	0	0	0	450	50	0

Description	2011/12			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
	R'000					
Community halls	90	90	0	0	0	0
Libraries	568	568	0	0	0	0
Recreational facilities	0	0	410	400	1 100	850
Fire, safety & emergency	720	720	0	0	0	0
Security and policing	500	500	0	0	0	0
Buses	0	0	0	0	0	0
Clinics	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0
Cemeteries	576	576	105	0	0	0
Social rental housing	31 043	24279	2010	25 228	30 966	33 515
Other	150	150	21 404	-14 328	19 564	16 385
Capital expenditure by Asset Class0						
<u>Heritage assets - Total</u>	0	0	0	0	0	0
Buildings	0	0	0	0	0	0
Other	0	0	0	0	0	0
<u>Investment properties - Total</u>	0	0	0	0	0	0
Housing development	0	0	0	0	0	0
Other	0	0	0	0	0	0
<u>Other assets</u>	16 713	16 833	39 839	72 464	67 306	69 858
General vehicles	26	26	7 828	6 520	2 950	3 100
Specialised vehicles	4 400	4 700	1 011	2 050	5 000	5 000
Plant & equipment	100	100	18 599	24 296	18 319	15 882
Computers - hardware/equipment	2 090	2 090	175	1 500	1 500	1 500
Furniture and other office equipment	807	807	7 466	4 040	5771	5 941
Abattoirs	0	0	0	0	0	0
Markets	0	0	0	0	0	0
Civic Land and Buildings	0	0	0	0	0	2 000
Other Buildings	7 905	8 055	130	0	0	0
Other Land	0	0	0	0	0	0
Surplus Assets - (Investment or Inventory)	0	0	0	0	0	0
Other	1 385	1 055	4 631	34 058	33 766	36 435
<u>Agricultural assets</u>	0	0	0	0	0	0
List sub-class	0	0	0	0	0	0
<u>Biological assets</u>	0	0	0	0	0	0
List sub-class	0	0	0	0	0	0
<u>Intangibles</u>	900	900	0	250	2 500	0

Description	2011/12			Planned Capital expenditure		
	Original Budget	Adjustment Budget	Actual Expenditure	2012/13	2013/14	2014/15
	R'000					
Computers - software & programming	900	900	0	0	0	0
Other (list sub-class)	0	0	0	250	2 500	0
Total Capital Expenditure on new assets	199 066	210 104	173 155	189 044	223 143	242033
<u>Specialised vehicles</u>	4 400	4 700	1 011	2 050	5 000	5 000
Refuse	2 000	2 000	0	2 050	5 000	5 000
Fire	500	800	1 011	0	0	0
Conservancy	1 900	1 900	0	0	0	0
Ambulances	0	0	0	0	0	0

Table 189: Capital Expenditure

5.7 SOURCES OF FINANCE

The table below indicates the capital expenditure by funding source for the 2011/12 financial year:

Details	2011/12				
	Original Budget (OB)	Adjustments Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
Source of finance					
Description	R'000				%
External loans	47 048	59 335	36 950	-12 287	-21.46
Public contributions and donations	7 593	7 685	5 109	-92	-32.71
Grants and subsidies	49 955	56 993	49 160	-7 038	-1.59
Other	94 470	86 090	81 936	8 380	-13.27
Total	199 066	210 104	173 155	-11 037	-69
Percentage of finance					
External loans	23.6	28.2	21.3	-4.6	-9.75
Public contributions and donations	3.8	3.7	3.0	0.1	-21.05
Grants and subsidies	25.1	27.1	28.4	-2	13.15
Other	47.5	41.0	47.3	6.5	-0.42
Capital expenditure					
Description	R'000				%
Water and sanitation	70 907	79 700	57 800	-8 793	-18.48
Electricity	23 783	29 878	28 108	-6 095	18.19
Housing	32 483	33 381	22 354	-898	-31.18
Roads and storm water	19 089	29 290	27 682	-10 201	45.02
Other	52 837	37 855	37 209	14 982	-29.58
Total	199 099	210 104	173 155	-11 005	-16

Details	2011/12				
	Original Budget (OB)	Adjustments Budget	Actual	Adjustment to OB Variance	Actual to OB Variance
<i>Percentage of expenditure</i>					
Water and sanitation	35.61	37.93	33.38	-2.32	-6.27
Electricity	11.95	14.22	16.23	-2.28	35.89
Housing	16.31	15.89	12.91	0.43	-20.87
Roads and storm water	9.59	13.94	15.99	-4.35	66.75
Other	26.54	18.02	21.49	8.52	-19.03

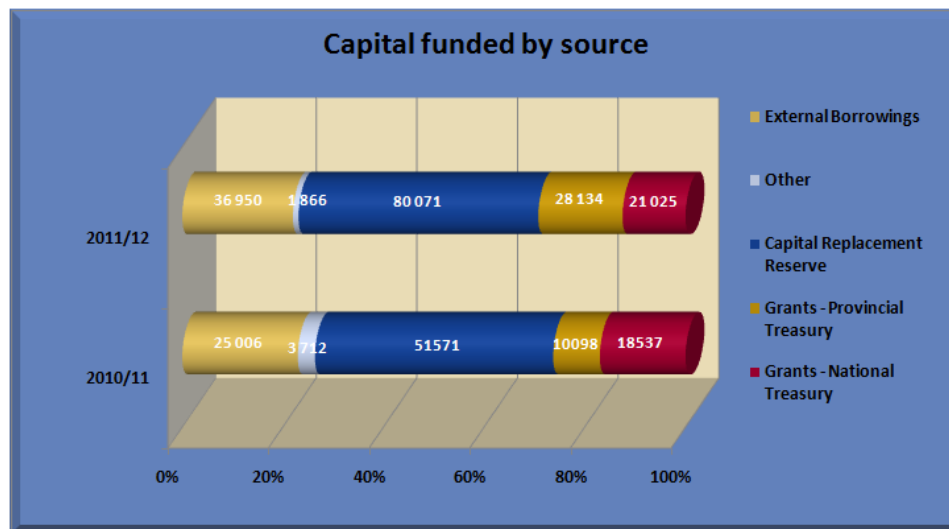
Table 190: Capital Expenditure by Funding Source

5.7.1 CAPITAL FUNDED BY SOURCE

Description Source	2010/11	2011/12
	R'000	
Capital Replacement Reserve	51 571	80 071
Grants - National Treasury	18 537	21 025
Grants - Provincial Treasury	10 098	28 134
External Borrowings	25 006	36 950
Public Contributions	4 136	5 109
Other	3 712	1 866
Total capital expenditure	113 060	173 155

Table 191: Capital funded by source

The following graph indicates capital expenditure funded by the various sources



Graph 20: Capital funded by source

5.8 CAPITAL SPENDING ON 5 LARGEST PROJECTS

Projects with the highest capital expenditure in 2011/12

Name of Project	Current Year: 2011/12			Variance Current Year: 2011/12	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R			%	
Upgrade Waste Water Treatment Works Wemmershoek	27 178 979	28 376431	17 915997	34	4
Refurbishment of Stellenbosch Waste Water Treatment Works	22 000 000	19 060039	18 268795	17	13
Refuse disposal site (New Cell)	22 000 000	16 122000	13 503198	39	27
Housing: Klipmuts 342 (Municipal)/ Erf 1336	12 182 000	13 884785	13 884785	-14	-14
Suidwal: Main sub switchgear replacement	12 000 000	11 735548	11 683385	-874	-878

Table 192: Capital Expenditure on the 5 Largest Projects

Name of Project - A	Upgrade Waste Water Treatment Works Wemmershoek
Objective of Project	Efficient infrastructure and services.
Delays	Waiting for ROD in terms of Environmental Legislation.
Future Challenges	Starting up of Nereda plant. Decommissioning of Franschoek Wastewater Treatment Works.
Anticipated citizen benefits	Improved service delivery.

Table 193: Summary of Project A

Name of Project - B	Extension of Stellenbosch Waste Water Treatment Works
Objective of Project	Efficient infrastructure and services.
Delays	Delays were experienced as a result of the appointment of Consultants for the Stellenbosch Wastewater Treatment Works.
Future Challenges	Appoint Consultants contracted for the Extension of Stellenbosch Wastewater Treatment Works Obtaining funding for the financing of the above-mentioned project
Anticipated citizen benefits	Improved service delivery

Table 194: Summary of Project B

Name of Project - C	Refuse disposal site (New Cell)
Objective of Project	Stellenbosch Municipality's Devon Valley Landfill site has reached its capacity, and a new cell was required in order legally dispose of the solid waste collected within the municipal boundaries according to the NEM: Waste Act (Act 59 of 2008)
Delays	There were a number of delays on this multi-year project. The first delay occurred in October/November 2011, which was as a result of an appeal against the awarding of the contract. The second delay followed soon thereafter, which came about due to the lessee of the property, that had been given adequate notice that the municipality will be reclaiming a hectare of the land, requested that they harvest the land before the municipality take over that portion of the land. However, when the municipality was ready to commence with the activities, the lessee claimed that they had not been given fair notice and wanted compensation. This was resolved, and the project commenced in March 2012. The third delay that hampered project progress was rain delays which took serious effect in the June, July period. The contractor de-established at the end of July, and returned at the beginning of October

	2012 to complete the project. Although practical completion should take effect by 14 December 2012, there is still a snag list that needs to be attended to. Normally 14 days are granted to the contractor to attend to the snag list, but as this falls inside the builder's break, it is anticipated that this will only be completed by end-January 2013.
Future Challenges	The first challenge faced is the R3.9 million shortfalls on the capital budget, which arose due to the bulk of the project not being completed in the 2011/12 financial year due to the delays described above. None of this can be contributed to the contractor, as the delays stems from administrative processes, and rain delays. The unspent funds were not carried over resulting in the shortfall. This municipality is fortunate to still have legal airspace available, and it must be protected at all cost. This cell cannot be operated as the previous landfill was operated, as strict environmental legislation needs to be followed, as well as national waste minimisation criteria to ensure that no unnecessary waste is disposed of at the site. The new cell will have a weighbridge installed to accurately measure waste quantities disposed of, and it is hoped that the new tariff be comparable to neighbouring municipalities to avoid cross-boundary movement.
Anticipated citizen benefits	The citizens will for the first time has a lined cell in operation, which will protect groundwater from leachate pollution in the region. The operations of this facility must be to an experienced external service provider that must operate the facility to permit conditions. The fact that the site is still in the Stellenbosch municipal region is a major benefit in terms of saving transport costs, which would otherwise have made disposal unaffordable.

Table 195: Summary of Project C

Name of Project - D	Housing: Klapmuts 342 (Municipal)/ Erf 1336
Objective of Project	Service 536 sites
Delays	Rain delays
Future Challenges	The increase of the project to 1067 sites
Anticipated citizen benefits	Dignified living for 1067 families in Klapmuts

Table 196: Summary of Project D

Name of Project - E	Suidwal: Main sub switchgear replacement
Objective of Project	Upgrade Suidwal switchgear by installing new switchgear
Delays	The project was delayed due to unforeseen circumstances.
Future Challenges	Not applicable
Anticipated citizen benefits	Improved service delivery

Table 197: Summary of Project E

The planning and tender processes of multi-year projects started earlier than expected, therefore adjustments to the budget were implemented in order to commence with urgent projects and not delay projects.

5.9 BASIC SERVICE AND INFRASTRUCTURE BACKLOGS – OVERVIEW

Out of the various Master Plans revised, various infrastructure backlogs and upgrades were identified which will be required to meet current and future development needs. Budgetary provision will be made accordingly.

The service level above minimum standard can be interpreted as the backlogs to upgrade current households above minimum standard to households supplied with water inside dwelling.

In terms of the definition for backlogs for the minimum standard water supply, Stellenbosch Municipality have zero (0) backlogs. Major backlogs exist in terms of lapidated infrastructure and the bulk services to provide for future development and current provision of water and sanitation. The total backlog thus far for the upgrading of internal and external bulk infrastructure is estimated at 38.6% and valued at approximately R324.8M.

5.9.1 MUNICIPAL INFRASTRUCTURE GRANT (MIG)

The full MIG budget allocation for the 11/12 financial year was R 20 955 000.

Details	Budget	Adjust-ments Budget	Actual	Variance		Major conditions applied by donor
				Budgets	Adjust-ments Budget	
	R'000			%		
Infrastructure - Road transport						
Roads, Pavements & Bridges	2 276	4 560	4 171	100	-8.5	Refer to DORA
Infrastructure - Sanitation						
Sewerage purification	13 678	13 678	14 854	-	8.5	Refer to DORA

Table 198: Municipal Infrastructure Grant (MIG)

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

Cash and cash equivalents amounting to R 374 million in 2011/12 represent 9.3% of total assets of R3 982 million. Apart from Property Plant and Equipment and Investment Property, cash represents the third largest item on the municipality's Statement of Financial Position. Furthermore, cash should also be effectively managed in order to be able to meet all commitments timely and should also be safeguarded in order to be available for the cash backed funds and reserves. This illustrates that a very high priority must be afforded to cash flow management.

5.10 CASH FLOW

Description	2010/11	2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Cash flow from operating activities				
Receipts				
Ratepayers and other	653 262	710 658	717 398	727 894
Government - operating	57 964	55 700	45 352	56 501
Government - capital	36 998	49 955	56 993	39 820
Interest	19 757	23 146	23 146	23 492
Payments				
Suppliers and employees	(579 161)	(687 210)	(682 188)	(651 509)
Finance charges	(3 752)	(7 400)	(7 400)	(6 344)
Transfers and Grants	0	(22 462)	(24 162)	0
Net cash from/(used) operating activities	185 068	122 388	129 139	189 854
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	2 093	0	0	1 696
Decrease (Increase) in non-current debtors	0	0	0	0
Decrease (increase) other non-current receivables	1 912	7 593	7 593	74
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(112 091)	(199 066)	(210 104)	(183 820)
Net cash from/(used) investing activities	(108 086)	(191 473)	(202 511)	(182 051)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Borrowing long term/refinancing	4 895	47 048	59 335	47 674
Payments				

Description	2010/11	2011/12		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
	R'000			
Repayment of borrowing	(3 154)	(3 713)	(3 713)	(6 358)
Net cash from/(used) financing activities	1 741	43 335	55 622	41 317
Net increase/ (decrease) in cash held	78 722	(25 751)	(17 749)	49 120
Cash/cash equivalents at the year begin:	246 306	315 457	325 029	325 028
Cash/cash equivalents at the year-end:	325 029	289 706	307 279	374 148

Table 199: Cash flow

Note: Figures exclude provision for bad debt

Cash and cash equivalents increased from R 325 million in 2010/11 to R 374 million in 2011/12. The 2011/12 result reflected a better than budgeted outcome when compared to the 2011/12 adjustments budget.

5.13 BORROWING AND INVESTMENTS

The municipality made an R 47 million draw down in 2011/12 on the R80 million external loan facilities available to the municipality. Grants and internal funding were mainly utilised in 2011/12 to finance capital expenditure.

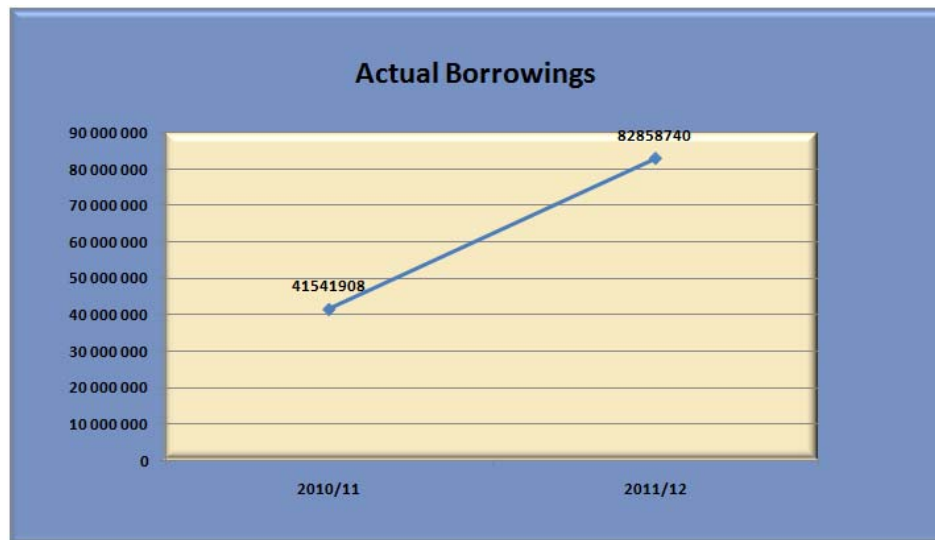
The municipality's cash position is monitored on a daily basis and any cash not required immediately to meet cash flow requirements, are invested on a monthly basis at approved institutions, strictly in accordance with Council's approved Cash and Investment Policy.

5.13.1 ACTUAL BORROWINGS

Instrument	2010/11	2011/12
	R	
Long-Term Loans (annuity/reducing balance)	41 541 908	82 858 740
Total	41 541 908	82 858 740

Table 200: Actual Borrowings

The following graph shows the municipal actual borrowings for the past two years:



Graph 21: Actual Borrowings

5.13.2 MUNICIPAL INVESTMENTS

Investment type	2010/11	2011/12
	Actual	Actual
	R'000	R'000
Deposits - Bank	301 226 693	337 949 817
Total	301 226 693	337 949 817

Table 201: Municipal Investments

Component D: Other Financial matters

5.14 SUPPLY CHAIN MANAGEMENT

The Supply Chain Management Policy is reviewed on an annual basis as prescribed by Regulation 3 of the SCM Regulations 2005. The Preferential Procurement Regulations, 2011 was also implemented on 7 December 2012. Effective delegations are in place for Bid committees and no councillors are members of any committees as prescribed in MFMA 117. All supply chain officials meet the necessary requirements. Most of the matters were addressed that were highlighted in the previous Auditor-General's report and rendering a more efficient and effective service is dependent on additional human resources being employed in the Supply Chain Management Unit.

The Supply Chain Management Unit is continuously evaluating and improving its processes and procedures in order to ensure that Council receives value for money procurement. We also note with pleasure that the Stellenbosch Municipality received an unqualified audit opinion from the Auditor General (AG) for the period 2011/2012, thereby giving reasonable assurance to the Council and communities of the Greater Stellenbosch Area that due process has been followed as envisaged by the Constitution

and the regulatory framework.

The Supply Chain Management Unit wants to bring the following worrying trend to the attention of management :

- The sheer volume of transactions expedited during the last two months of the financial year is putting enormous pressure on the limited capacity of the unit. Although the **number of transactions above a value of R 30 000 (VAT inclusive)** only accounts for 3.04% of the total procurement transactions concluded, the **value thereof amounts to more than 85.41%** of the total procurement transactions processed in the 2011/2012 financial year.

It is therefore recommended that departments attend to planning and implementing projects throughout the year and not a situation where more than fifty percent of the capital budget is finalized within the last quarter of the year.

5.15 GRAP COMPLIANCE

GRAP is the acronym for Generally Recognized Accounting Practice and it provides the guidelines and standards by which municipalities are required to maintain their financial accounts. Successful GRAP compliance will ensure that municipal accounts are comparable and more informative for the municipality. It will also ensure that the municipality is more accountable to its citizens and other stakeholders. Information on GRAP compliance is needed to enable National Treasury to assess the pace of progress and consider the implications.

Stellenbosch Municipality's financial statements and budget are fully GRAP compliant. Challenges still exist to ensure that all monthly reporting is in fact GRAP compliant.

CHAPTER 6: AUDITOR GENERAL AUDIT FINDINGS

This chapter provides the details on the audit outcomes for the past two financial years with the correctives steps implemented.

COMPONENT A: AUDITOR-GENERAL OPINION 2010/11

6.1 AUDITOR GENERAL REPORTS 2010/11

Auditor-General Report on Financial Performance 2010/11	
Audit Report Status:	Unqualified
Non-Compliance Issues	Remedial Action Taken
<u>Procurement and contract management</u>	
<p>Awards were made to providers who are persons in service of other state institutions/ municipalities or whose directors/ principal shareholders are persons in service of other state institutions / municipality in contravention of the requirements of SCM regulations 44. Furthermore the provider failed to declare that he/she is in the service of the state as required by SCM regulation 13(c)</p>	<p>The awards made to providers who are persons in service of other state institutions or whose directors/principal shareholders are persons in service of other state institutions were not involved in the implementation of the Supply Chain Management Policy of Stellenbosch Municipality, nor evaluating or adjudicating any of the offers.</p> <p>In the execution of the vetting exercise used by municipalities to determine whether service providers are not in the service of the State, the SCM staff of Stellenbosch Municipality are limited to only being able to verify declarations made by municipal employees against the CIPRO listing as municipalities do not have and/or are given access to government wide systems to check information related to other officials in the service of the state (Please refer to the attached Communication from National Treasury dated 25/10/2011).</p> <p>Regarding the recommendation of the Auditor General requiring the municipality to do CIPRO checks on all transactions before awarding, management must advise that in this regard it would be impracticable to perform CIPRO checks on around 14 000 transactions at a cost of R 30.00 per transaction.</p> <p>The latter would just be too costly and accordingly the risk was evaluated as envisaged by SCM Regulation 41, which deals with Risk Management.</p> <p>Stellenbosch Municipality complies with the prescribed National Treasury procurement documentation allowing bidders to make declarations/disclose private or business interest.</p> <p>Management will however endeavour to find a more practical solution to ensure compliance with the Supply Chain Regulations.</p>
<p>Awards were made to suppliers who did not submit a declaration on their employment by the state or their relationship to a person employed by the state as per the requirements of SCM regulation 13(c).</p>	<p>Management revised the annual application form, dealing with private work from municipal staff to be processed in collaboration with the SCM Section.</p>
<u>Irregular expenditure</u>	
<p>The accounting officer did not take effective and appropriate steps to prevent and detect irregular expenditure as required by section 62(1)(d) of the MFMA. As disclosed in note 50 to the financial statements irregular expenditure totalling R25 359 405 was discovered and/or incurred during the year under review as a result of non-compliance with laws and regulations relating to procurement and</p>	<p>In the context envisaged by Section 62 of the MFMA, none of the reported irregular expenditure under note 50 relates to financial misconduct or an offence in terms of Chapter 15 of the Act.</p> <p>The irregular expenditure was as a result of the Supply Chain Management Policy requirement of 2 quotations being sourced under the threshold of R15 000 from our Database of pre-approved</p>

Auditor-General Report on Financial Performance 2010/11	
contract management.	suppliers and 2 tenders to the value of R18 611 442.27 that were advertised for 21 days instead of 30 days.
Annual financial statements	
The financial statements submitted for audit did not comply with section 122(1) and 125(2)(d)(i) of the MFMA. The municipality has material corrections to the financial statements.	The material adjustments made during the audit was purely technical and as a result of differences in interpretation of the various applicable accounting standards
Emphasis of matter:	
Significant uncertainties	
With reference to note 45 paragraph 8 to the financial statements under contingencies, the municipality is a defendant in a lawsuit. The plaintiff (Cape Nature) is suing the first defendant (Stellenbosch Municipality) and second defendant (Cape Winelands District Municipality) for R10 706 557. The case arose from mountain fires during December 2005 that caused extensive damage to various properties in the district. In addition to the claim and amount of R800 000 representing legal costs.	This matter was followed up with our legal representation and was concluded up to the stage of the municipality's Insurance Service Provider taking ownership of this issue and their legal counsel is busy resolving this.
Emphasis of matter:	
Material losses	
The municipality suffered a significant water loss of 2 057 808 kilolitres during the year under review as disclosed in note 52 to the financial statements.	The last few years Stellenbosch Municipality experienced abnormal incidences of pipe failures which contributed a lot to our water losses. Most of these failures are as a result of ageing infrastructure. (Asbestos cement pipes which deteriorate over time). This was identified as a big risk and over the last two years we started a comprehensive pipe replacement program whereby all the problem areas were identified and the old pipes replaced. Replacing these old pipes will definitely reduce and minimise our water losses. Through our Water Demand Management Program we also embarked on a program whereby bulk water meters are installed on main supply lines. Implementation of this program will ensure that areas with abnormal water losses are identified and remedial actions will be taken timeously.
Emphasis of matter:	
Material under spending of the budget	
As disclosed in appendix E(2) to the financial statements the municipality has materially under spent its capital budget to the value of R19 151 401. The under spending mainly affected the service delivery area for electricity due to the late delivery of equipment.	Business/Project plans will be completed, implemented, monitored and reported in terms of the SDBIP process in order to increase/maximise capital spending.
Emphasis of matter:	
Restatement of corresponding figures	
As disclosed in note 50 to the financial statements, the corresponding figures for 30 June 2010 have been restated as a result of errors discovered during the year of 30 June 2011 in the financial statements of the municipality at, and for the year ended, 30 June 2010.	The municipality is allowed, in terms of GRAP 3, to restate corresponding figures in the event of any misstatement being identified. The municipality however is putting controls in place to identify the errors within the year they occur.
Emphasis of matter:	
Severance Package	
With reference to note 48 to the financial statements the municipality paid severance packages to two employees based on settlement agreement of R1 670 298.	The organisation strives to be the employer of choice and although we try to manage and mediate employee relations, it is not always effective.

Table 202: AG Report on Financial Performance 2010/11

Auditor-General Report on Service Delivery Performance: 2010/11	
Non-Compliance Issues	Remedial Action Taken
<p>Usefulness of information</p> <p>1. The reported performance information was deficient in respect of the following criteria:</p> <ul style="list-style-type: none"> Measurability: The indicators are not well defined and verifiable, and targets are not specific, measurable, and time bound. <p>2. The following audit finding relate to the above criteria:</p> <ul style="list-style-type: none"> For the selected objectives, 100% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance; measurable in identifying the required performance and time bound in specifying the time period or deadline for delivery. 	<p>The comment by the AG that the objectives are not specific, measurable, achievable, and realistic and time bound is noted. In this regard considerable progress has been made in ensuring that the objectives set out in the SDBIP meet the measurability criteria in terms of section 46 of the Systems Act and sections 71 and 72 of the MFMA.</p> <p>The municipality has engaged the services of an external service provider to assist with the refinement of performance information. Hopefully this will resolve the challenge of specificity and measurability.</p>
<p>Reliability of information</p> <p>1. The reported performance information was deficient in respect of the following criteria:</p> <ul style="list-style-type: none"> Validity: The reported performance did not occur and does not pertain to the entity. Accuracy: The amounts, numbers, and other data relating to reported actual performance have not been recorded and reported appropriately. Completeness: All actual results and events that should have been recorded have not been including in the reported performance information. <p>2. The following audit finding is relevant to the above criteria:</p> <ul style="list-style-type: none"> For the selected directorates the validity, accuracy and completeness of 66,6% of the reported indicators could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided and I was unable to perform alternative audit procedures to verify the validity, accuracy and completeness of reported indicators. 	<p>Before submission of the report on pre-determined objectives in the draft annual report, management did their best to ensure that they adequately review the performance reported in the annual report. Valid supporting documentation in the form of a portfolio of evidence was kept ready for submission for audit.</p> <p>Measures have already been put in place to ensure that the evidence is more measurable reliable and credible.</p> <p>The Stellenbosch Municipality has contracted the services of an external service provider to assist with reviewing and refining its objectives and targets to make it more specific, measurable, attainable, and realistic and time bound in line with the requirements of the Auditor General. This service provider will assist each Director; review the Directorates' predetermined objectives, as this is the responsibility of the Directorate concerned</p>

Table 203: AG Report on Service Delivery Performance 2010/11

COMPONENT B: AUDITOR-GENERAL OPINION 2011/12

6.2 AUDITOR GENERAL REPORTS 2011/12

2011/12	
Audit Report Status:	Unqualified
Issue raised	Corrective step implemented

Table 204: 2010/11 Detail on audit outcomes

2011/12	
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Restatement of corresponding figures</u>	
As disclosed in note 56 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during the 2011-12 financial year in the financial statements of the Stellenbosch Municipality at, and for the year ended, 30 June 2011.	The municipality is allowed, in terms of GRAP 3, to restate corresponding figures in the event of any misstatement being identified. The municipality however is putting controls in place to identify the errors within the year they occur.
<u>Material losses</u>	
The municipality suffered a significant water loss of 1 652 058 kilolitres during the year under review as disclosed in note 53 to the financial statements. This represents a loss on purchases of 13.47% on water.	Engineering Services were tasked by Council to prepare an implementation strategy regarding the minimising of water as well as electricity losses.
<u>Impairments</u>	
As disclosed in note 30 to the financial statements, material losses to the amount of R19 397 224 were incurred as a result of a write-off of irrecoverable consumer debtors.	Writing off of irrecoverable debt is allowed in terms of GRAP 19 where the impairment will be utilised against provision, also in terms of this standard.
<u>Non-Compliance Issues</u>	
Usefulness of information 1. The reported performance information was deficient in respect of the following criteria: <ul style="list-style-type: none"> Measurability: The indicators are not well defined and verifiable, and targets are not specific, measurable, and time bound. 2. The following audit finding relate to the above criteria: <ul style="list-style-type: none"> For the selected objectives, 100% of the planned and reported targets were not specific in clearly identifying the nature and the required level of performance; measurable in identifying the required performance and time bound in specifying the time period or deadline for delivery. 	Standard Operating Procedures will be explained to Directors and key actions incorporated into the official integrated calendar of the municipality. Revision of the SDBIP for 2012 based on the AG findings, Mid-year Report and Adjustment Budget is being planned.
Reliability of information 1. The reported performance information was deficient in respect of the following criteria: <ul style="list-style-type: none"> Validity: The reported performance did not occur and does not pertain to the entity. Accuracy: The amounts, numbers, and other data relating to reported actual performance have not been recorded and reported appropriately. Completeness: All actual results and events that should 	Proper and accurate reflection of pre-determined objectives in the 2012/17 IDP

2011/12	
Issue raised	Corrective step implemented
<p>have been recorded have not been included in the reported performance information.</p> <p>2.The following audit finding is relevant to the above criteria:</p> <ul style="list-style-type: none"> For the selected directorates the validity, accuracy and completeness of 66,6% of the reported indicators could not be established as sufficient appropriate audit evidence and relevant source documentation could not be provided and I was unable to perform alternative audit procedures to verify the validity, accuracy and completeness of reported indicators. 	<p>Implementation Map (I-MAP Procurement of Multi-year Service Provision (at least 3 years) on various aspects of performance management, including the development of SDBIP, Annual Report, Performance Reviews, etc.</p>

Table 205: 2011/12 Detail on audit outcomes

LIST OF ABBREVIATIONS

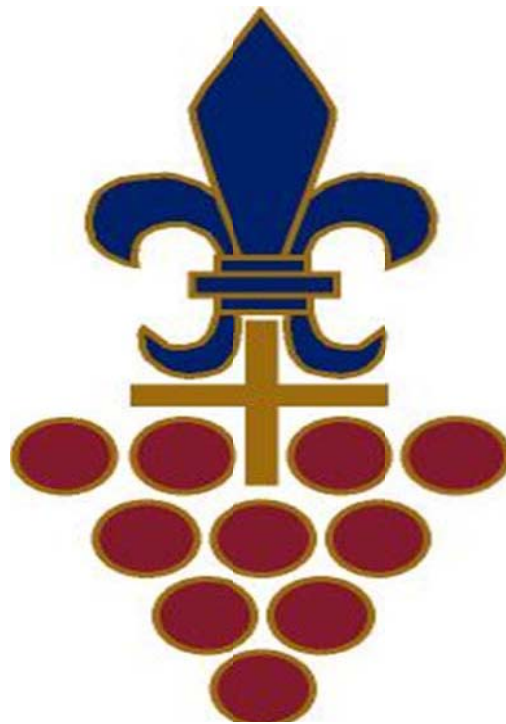
AG	Auditor-General
GEO	Stellenbosch Municipality
CAPEX	Capital Expenditure
CBP	Community Based Planning
CFO	Chief Financial Officer
DPLG	Department of Provincial and Local Government
DWAF	Department of Water Affairs and Forestry
EE	Employment Equity
GAMAP	Generally Accepted Municipal Accounting Practice
GRAP	Generally Recognised Accounting Practice
HR	Human Resources
IDP	Integrated Development Plan
IFRS	International Financial Reporting Standards
IMFO	Institute for Municipal Finance Officers
KPA	Key Performance Area
KPI	Key Performance Indicator
LED	Local Economic Development
MAYCO	Executive Mayoral Committee
MFMA	Municipal Finance Management Act (Act No. 56 of 2003)
MMC	Member of the Mayoral Committee
MIG	Municipal Infrastructure Grant
MM	Municipal Manager
MMC	Member of Mayoral Committee
MSA	Municipal Systems Act No. 32 of 2000
MTECH	Medium Term Expenditure Committee
NGO	Non-governmental organisation
NT	National Treasury
OPEX	Operating expenditure
PMS	Performance Management System
PT	Provincial Treasury

SALGA	South African Local Government Organisation
SAMDI	South African Management Development Institute
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDF	Spatial Development Framework
PPP	Public Private Partnership
MRF	Material Recovery Facilities

ANNEXURE A: FINANCIAL STATEMENTS

STELLENBOSCH MUNICIPALITY

STELLENBOSCH - PNIEL - FRANSCHHOEK



ANNUAL FINANCIAL STATEMENTS

2011/2012

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

General Information

Mayoral committee

Executive Mayor	CJ	Sidego
Deputy Executive Mayor	MG	Smuts
Speaker	C	Jooste
Executive Councillors	PW	Biscombe

V Fernandez

N Jindela

SJ Louw

PJ Retief

JP Serdyn

Q Smit

P Venter

Councillors

F Adams

DS Arendse

NM August

HC Bergstedt

DC Botha

A Crombie

J Davids

L De Villiers

R Du Toit

AR Frazenburg

JSA Fourie

N Gcaza

NM Gugushe

DA Hendrickse

JK Hendricks

S Jooste DD

Joubert MC

Johnson LX

Mdemka C

Moses

EL Maree

NE Mcombring

MM Ngcofe

RS Nalumango

N Ntsunguzi

WJ Pretorius

KE Qotywa

L Ronoti

LN Siwakamisa

P Sitshoti

LL Stander

M Wanana

Grading of local authority

Councillors Grade 4

Personnel Grade 10

Accounting Officer

EC Liebenberg (Mrs)

Tel: (021) 808 8025

Fax: (021) 808 8200

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

General Information

Chief Finance Officer (CFO)	MAC Bolton Tel: (021) 808 8528 Fax: (021) 808 8574
Registered office	Plein Street Stellenbosch 7600
Business address	Plein Street Stellenbosch 7600
Postal address	P O Box 17 Stellenbosch 7599
Bankers	ABSA Bank
Auditors	Auditor General of South Africa

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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The reports and statements set out below comprise the annual financial statements presented to the Auditor General of South Africa:

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Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CRR	Capital Replacement Reserve
DBSA	Development Bank of South Africa
SA GAAP	South African Statements of Generally Accepted Accounting Practice
GRAP	Generally Recognised Accounting Practice
GAMAP	Generally Accepted Municipal Accounting Practice
HDF	Housing Development Fund
IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act
MIG	Municipal Infrastructure Grant (Previously CMIP)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control established by the municipality and place considerable importance on maintaining a strong control environment. To enable me to meet these responsibilities, I set standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

I am of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

I am responsible for the preparation of these financial statements in terms of Section 126(1) of the Municipal Finance Management Act, 2003 (Act 56 of 2003) and signed the Annual Financial Statements on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 33 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements set out on pages 11 to 96 which have been prepared on the going concern basis, is hereby certified.

Accounting Officer
Mrs. EC Liebenberg

Date: 22 November 2012

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement from the desk of the Chief Financial Officer

1. Introduction

It is an absolute pleasure to give a brief summary of the financial results of our Council for the financial year ended 30 June 2012.

The municipality, being classified as high capacity, is required to implement Generally Recognised Accounting Practices (GRAP). Accordingly the financial statements for the year ended 30 June 2012, have been prepared in the GRAP format.

The financial activities for the year, are reviewed in the various sections of this report.

2. Key financial indicators

Ratio Description

Current Ratio

The current ratio is used to measure to which extent the municipality's liquid assets (i.e. cash and near cash) are able to cover its short-term liabilities (commitments that must be honored within the year under review) also known as working capital. Working capital refers to the financial resources (available cash) to support the day-to-day operations of the entity giving effect to Section 215 of the Constitution.

The higher the ratio is to 1, the more liquid and solvent the municipality is and able to comply with Section 65 of the MFMA.

Whilst varied views and interpretation exist on what constitutes an acceptable norm for this ratio, the Stellenbosch Municipality deemed it more prudent to maintain a benchmark of at least a ratio of 2:1. The ratio for 2011/2012, apart from showing an improvement, also illustrates the municipality's ability to meet its short term obligations over the medium term and to maintain sound financial practices.

Revenue Management

Actual income vs Budgeted income

It should be noted that the income displayed in the Statement of Financial Performance includes billed income based on prescribed accrual accounting principles. Further discussion on the income performance can be found under number 3 below, but it is however important to draw the attention of users of our statements to the fact that we've improved our budget preparation processes with regard to income modelling which was based on realistically anticipated revenue linked to indepth analysis of consumer profiles, resulting in a more more credible, informed and scientific approach.

Level of reliance on government grants

This ratio illustrates the level of reliance a municipality has on government grants and other funding and it therefore follows from the results that the municipality is able to fund its operations from own sources. It is also important to note that Development Contributions also reflect on this line item as grants which has the effect of giving a somewhat skewed picture. In order to determine real reliance on grant funding, the municipality in future, will distinguish grant funding from Development Contributions.

Expenditure Management

Actual expenditure vs Budgeted expenditure

It should be noted that the expenditure displayed in the Statement of Financial Performance includes billed expenditure and various other financial transactions as allowed for by GRAP.

Personnel costs to total expenditure

The ratio is calculated and based on actual expenditure and not budgeted personnel costs.

Interest paid as percentage of total expenditure

The generally accepted norm in this regard is 15%. The ability to fund our capital programmes, to some extent from own sources, and not external finance, is the main reason that Stellenbosch Municipality is exemplary in the performance of this ratio.

2011/2012

2.93

2010/2011

2.41

103.10%

111.79%

12.66%

11.99%

94.96%

98.61%

28.41%

29.18%

0.80%

0.51%

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement from the desk of the Chief Financial Officer

Ratio Description	2011/2012	2010/2011
Repairs and maintenance/Total expenditure <i>This ratio is calculated to benchmark compliance to National Treasury's Circular 58 issued on 14 December 2011 urging municipalities to prioritise allocations to repairs and maintenance and the renewal of existing infrastructure. The improved result is indicative of Council's commitment to increased investment in its infrastructure asset base.</i>	6.21%	5.18%
Asset Management		
Acquisition of PPE – Actual vs Budgeted <i>This ratio illustrates the year-on-year improvement in capital spending performance (capacity to spend).</i>	82.41%	77.89%
Consumer debtors collection period <i>The higher the ratio in days the more the likelihood that some debt could be irrecoverable with further financial implications as a result of the multiplier effect on the provision for the impairment of debtors. It is however evident that the ratio improved from the previous year as a result of consistent implementation of our debt management efforts and the outsourcing of key credit control processes. The positive result is indicative of the success achieved with the implementation of improved processes.</i>	45 days	48 days
Debt Management		
Total liabilities/Total assets <i>Using this ratio to analyse the solvency of the organisation, it is clear that the municipality's assets exceeds its recorded liabilities by far and confirms the municipality's ability to maintain a sound/healthy level of solvency over the long term.</i>	11.27%	10.53%

3. Operating Results

The overall summarised operating results for the municipality in comparison to the approved budget are shown below. The Statement of Financial Performance reflects a summary of income and expenditure, whilst the segmental operating results per service are shown in Appendix D of the annual financial statements.

	2011/2012		2010/2011	Growth
	Actual	Budget	Actual	
Revenue				
Property				
Rates	189,497,264	183,197,490	183,291,412	3.39%
Service				
Charges	506,102,291	479,009,547	454,860,873	11.27%
Grants and				
subsidies	112,239,365	122,645,227	96,788,179	15.96%
Other	78,674,737	74,983,669	72,422,205	8.63%
	886,513,657	859,835,933	807,362,669	9.80%

	2011/2012		2010/2011	Growth
	Actual	Budget	Actual	
Expenditure				
Employee related costs	226,458,966	231,532,964	215,099,659	5.28%
Bulk purchases	216,533,944	223,269,362	173,670,986	24.68%
Depreciation	103,711,325	111,680,710	97,737,539	6.11%
Finance cost	6,344,344	7,400,278	3,752,321	69.08%
Repairs and Maintenance	49,515,916	58,069,362	38,217,153	29.56%
Other	194,596,819	207,527,099	208,609,712	-6.72%
	797,161,314	839,479,775	737,087,370	8.15%
	89,352,343	20,356,158	70,275,299	

Net Operating Surplus/(Deficit)

Revenue has increased by 9.80%, whilst expenditure increased with 8.15% between the respective financial years. A comparison of actual results to the approved budget and explanations for material differences are set out in Appendix E(1) of the financial statements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

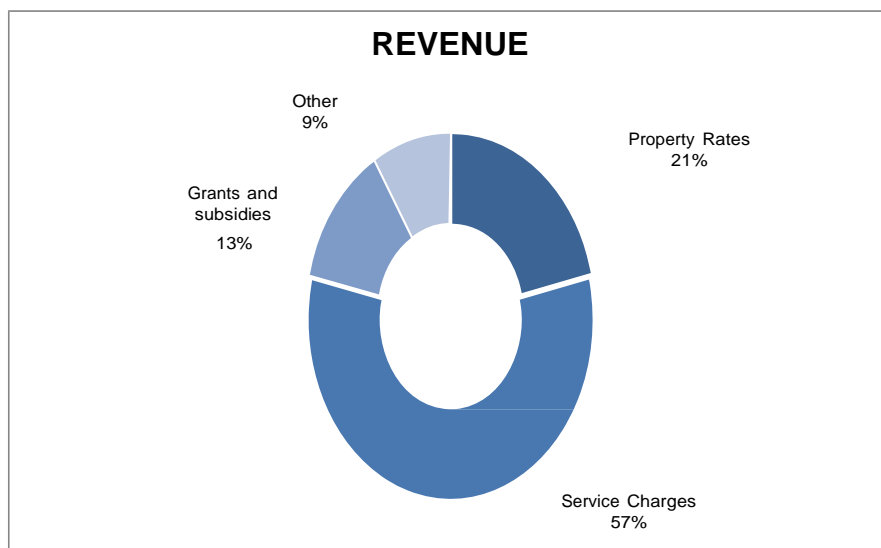
Statement from the desk of the Chief Financial Officer

3.1 Operating revenue

The major revenue streams that supported the programmes and activities of the municipality were:

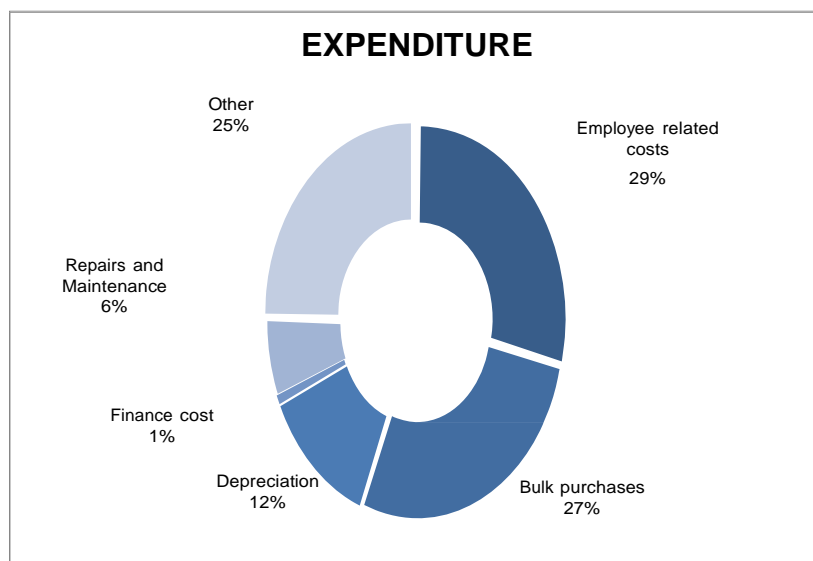
- property rates
- service charges, which consist of the following:
 - ~ electricity sales
 - ~ water sales
 - ~ waste water management(sewerage and sanitation); and
 - ~ waste management (refuse)
- government grants and subsidies
- other

The municipality experienced total revenue growth of 9.80% on the amounts realised in the previous financial year . The following graph indicates the main categories of income



3.2 Operating expenditure

The following graph indicates the main categories of expenditure for the year under review. The proactive management and containment of the increasing cost of delivering services are key priorities in the municipality whilst also trying to comply with National Treasury's Circular No. 58 requiring increased investment in the maintenance of our asset base. Further detail is contained in notes 28 to 44 of the annual financial statements.



Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement from the desk of the Chief Financial Officer

4. Capital expenditure and financing

Capital expenditure incurred during the year amounted to R172 917 312 which represents 82.30% (an improvement on the previous year) of the approved capital budget.

Capital expenditure per function	Actual	2011/2012 Budget	Variance	2010/2011 Actual
Executive & Council	14,842	60,000	(45,158)	49,854
Budget and Treasury Office	875,321	890,000	(14,679)	509,716
Corporate Services	8,275,657	9,169,056	(893,399)	4,580,247
Community & Social Services	1,166,100	1,090,825	75,275	753,396
Sport & Recreation	5,929,923	5,969,851	(39,928)	6,010,131
Public Safety	2,035,630	2,076,700	(41,070)	863,447
Housing	22,354,220	26,963,736	(4,609,516)	1,684,564
Planning and Development	92,382	220,000	(127,618)	1,813,304
Road Transport	27,682,632	27,676,082	6,550	34,297,892
Electricity	28,108,754	33,877,848	(5,769,094)	4,604,819
Water	15,940,801	17,416,593	(1,475,792)	16,796,646
Waste Water Management	41,859,455	63,000,036	(21,140,581)	26,328,582
Waste management	18,819,466	21,692,830	(2,873,364)	14,402,452
Total expenditure	173,155,184	210,103,557	(36,948,373)	112,695,051

Source of finance	Actual	2011/2012 Budget	Variance	2010/2011 Actual
Capital Replacement Reserve	80,070,532	86,090,400	(6,019,868)	51,205,369
Grants - National Treasury	21,025,252	25,955,000	(4,929,747.75)	18,536,966
Grants - Provincial Treasury	28,134,365	31,037,726	(2,903,361)	10,097,752
External Borrowings	36,950,275	59,335,302	(22,385,027)	25,006,098
Public Contributions	5,109,124	5,514,400	(405,276)	4,136,368
Other	1,865,635	2,170,729	(305,094)	3,712,498
Total funding	173,155,183	210,103,557	(36,948,374)	112,695,051

5. Consumer Debtors

Outstanding consumer debtors at 30 June 2012 were R114 million. The amounts included in the consumer debtor balances considered to be doubtful are covered by a provision for impairment of R 25 million. In this regard, R19 million was written off (impaired) against the provision during the year under review. The below-mentioned results are indicative of an improvement in management's efforts to manage debt and the management arrangements in place to ensure that Council collect all money due to it.

	2011/2012	2010/2011
Consumer Debtors	88,577,846	85,998,735
Debt Impairment	25,456,417	32,433,987
Gross Consumer Debtors		
	114,034,263	118,432,722
Billed Revenue	714,259,544	656,058,290
Percentage debt to Service Revenue	15.97%	18.05%
Consumer Debtors less Current Portion		
	90,671,159	82,657,727
Billed Revenue	714,259,544	656,058,290
Percentage debt to Service Revenue	12.69%	12.60%

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement from the desk of the Chief Financial Officer

6. Borrowings, Investments and Cash

Interest-bearing debt increased to R 82 million in the financial year ended 30 June 2012 to finance specific infrastructure projects approved by Council. Cash and cash equivalents (cash investments) increased by R 49 million to close off the financial year with R 374 million. The municipality's improved position resulted from amongst other factors from more effective debt management, cost saving strategies and savings on external loan repayments.

7. Cash Flow Analysis

	2011/2012	2010/2011
Cash and cash equivalents - 30 June 2011	325,028,533	246,306,056
Net increase/(decrease) in cash and cash eq.	49,119,832	78,722,477
Cash and cash equivalents - 30 June 2012	374,148,365	325,028,533

8. General

The overall financial results are generally considered to be acceptable and the positive trends are evident in the abovementioned ratios. In order to sustain and improve this situation, the maintenance of sound financial management practices and doing more with less is required as well as the timeous mitigation of risks that impact on financial sustainability by instituting appropriate measures to address such risks. The municipality will have to employ proactive strategies to ensure that services are delivered in the most cost effective manner. The Financial Statements reflects the financial position of Stellenbosch Municipality as at 30 June 2012 and its financial performance and its cash flows for the year ended in accordance with the SA standards of GRAP and in the manner required by the MFMA and DORA.

9. Appreciation

I acknowledge the contribution, loyalty, passion and unselfish dedication with which staff of the Directorate: Financial Services performed there tasks during the year under review and in particular the staff of the Budget Office for their unselfish efforts in ensuring that the preparation and compilation of these financial statements are of a high standard, notwithstanding the challenges experienced as a result of the extent of capital spending during Q4. The excellent performance of the Revenue Section, in respect of their contribution by way of oversight responsibility over monthly controls, is acknowledged together with the exceptional performance and effort made by the Senior Accountant: Expenditure to ensure that our controls are effective and efficient, processes and management arrangements relating to the treatment of VAT, are in place to ensure compliance with our legislative responsibilities. The SCM Unit's commitment to ensuring oversight responsibility over procurement transactions, notwithstanding capacity constraints, is admirable and shows accountability as custodians of public funds.

Chief Financial Officer
Mark Bolton

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement of Financial Position

Figures in Rand	Note(s)	2012	Restated 2011
Assets			
Current Assets			
Inventories	4	5,160,705	5,158,724
Long term receivables	9	169,492	153,400
Receivables from exchange transactions	5	23,689,467	23,349,164
Consumer debtors	3	88,577,846	85,998,735
Cash and cash equivalents	2	374,148,365	325,028,533
		491,745,875	439,688,556
Non-Current Assets			
Biological assets that form part of an agricultural activity	7	14,285,879	15,787,529
Investment property	8	528,780,075	523,325,000
Property, plant and equipment	10	2,945,413,673	2,834,122,152
Intangible assets	11	1,195,108	192,417
Long term receivables	9	715,379	804,978
		3,490,390,114	3,374,232,076
Non-current assets held for sale and assets of disposal groups		9,095	65,000
Total Assets		3,982,145,084	3,813,985,632
Liabilities			
Current Liabilities			
Other financial liabilities	15	3,968,773	3,782,995
Operating lease liability	14	53,846	145,649
Payables from exchange transactions	17	99,020,792	97,736,714
VAT payable	38	2,958,255	3,853,264
Consumer deposits	12	9,714,925	9,374,719
Employee benefit obligations	13	6,110,766	5,532,398
Unspent conditional grants and receipts	18	40,715,426	56,633,663
Provisions	16	5,387,230	5,369,403
		167,930,013	182,428,805
Non-Current Liabilities			
Other financial liabilities	15	78,880,067	27,758,013
Employee benefit obligations	13	163,991,540	148,021,713
Provisions	16	38,152,903	33,511,623
		281,034,410	219,292,249
Total Liabilities		448,964,423	401,721,054
Net Assets		3,533,180,661	3,412,264,578
Net Assets			
Reserves			
Revaluation reserve			
Housing Development Fund	20	5,922,663	2,473,721
Accumulated surplus	19	2,561,795,681	2,482,436,306
Total Net Assets		3,533,180,661	3,412,264,578

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement of Financial Performance

Figures in Rand	Note(s)	2012	Restated 2011
Revenue			
Property rates	22	189,497,264	183,291,412
Service charges	27	506,102,291	454,860,873
Property rates - penalties imposed and collection charges	22	2,918,845	2,794,773
Rental of facilities and equipment	26	11,706,102	11,282,684
Interest Earned - Outstanding Debtors	24	4,035,042	3,828,548
Income from agency services		1,185,535	989,589
Fines		11,133,590	14,061,496
Licences and permits		4,821,179	4,019,388
Government grants & subsidies	23	112,239,365	96,788,179
Other income	25	19,382,259	15,689,091
Interest received - investment	24	23,492,185	19,756,636
Total Revenue		886,513,657	807,362,669
Expenditure			
Employee related costs	31	(226,458,966)	(215,099,659)
Remuneration of councillors	33	(12,125,389)	(9,681,174)
Contribution to/from provisions	40	(23,448,809)	(34,669,305)
Depreciation and amortisation	29	(103,711,325)	(97,737,539)
Impairment loss/ Reversal of impairments		-	(7,970,286)
Finance costs	42	(6,344,344)	(3,752,321)
Debt impairment	30	(19,397,224)	(11,316,077)
Collection costs		(656,654)	(94,136)
Repairs and maintenance		(49,515,916)	(38,217,153)
Bulk purchases	28	(216,533,944)	(173,670,986)
Contracted services	43	(7,842,408)	(8,182,022)
Grants and subsidies paid	44	(300,123)	(564,982)
General Expenses	32	(136,469,553)	(141,067,623)
Total Expenditure		(802,804,655)	(742,023,263)
Loss on disposal of assets		-	(3,317)
Fair value adjustments	41	5,450,107	4,795,074
Gain on biological assets and agricultural produce		194,464	265,617
Inventories: (Write-down)/reversal of write-down to net realisable value		(1,230)	(121,481)
Surplus for the year		89,352,343	70,275,299

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Statement of Changes in Net Assets

Figures in Rand	Revaluation reserve	Housing Development Fund	Total reserves	Accumulated surplus	Total net assets
Balance at 01 July 2010	872,522,910	8,673,735	881,196,645	2,415,511,844	3,296,708,489
Changes in net assets					
Prior Period Adjustments	-	-	-	(11,918,954)	(11,918,954)
Net income (losses) recognised	-	-	-	(11,918,954)	(11,918,954)
directly in net assets					
Surplus for the year	-	-	-	82,194,253	82,194,253
Total recognised income and	-	-	-	70,275,299	70,275,299
expenses for the year					
Land and buildings revaluation	31,874,249	-	31,874,249	-	31,874,249
Transfer to housing development	-	3,350,837	3,350,837	(3,350,837)	-
fund					
Movement on Surplus	-	(9,550,851)	(9,550,851)	-	(9,550,851)
Movement in Revaluation	22,957,392	-	22,957,392	-	22,957,392
Reserve					
Total changes	54,831,641	(6,200,014)	48,631,627	66,924,462	115,556,089
Balance at 01 July 2011	927,354,551	2,473,721	929,828,272	2,482,436,308	3,412,264,580
Changes in net assets					
Surplus for the year	-	-	-	89,352,343	89,352,343
Revaluation of land and	32,652,697	-	32,652,697	-	32,652,697
buildings					
Transfer to housing development	-	4,537,895	4,537,895	(4,537,895)	-
fund					
Movement on Surplus	-	(1,088,953)	(1,088,953)	-	(1,088,953)
Fair Value Adjustment	5,455,075	-	5,455,075	(5,455,075)	-
Total changes	38,107,772	3,448,942	41,556,714	79,359,373	120,916,087
Balance at 30 June 2012	965,462,323	5,922,663	971,384,986	2,561,795,681	3,533,180,667
Note(s)	21	20			

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Cash Flow Statement

Figures in Rand	Note(s)	2012	Restated 2011
Cash flows from operating activities			
Receipts			
Sale of goods and services		727,893,877	653,262,104
Grants		96,321,128	94,962,264
Interest income		23,492,185	19,756,636
		<u>847,707,190</u>	<u>767,981,004</u>
Payments			
Employee costs		(222,036,160)	(215,046,578)
Suppliers		(429,472,809)	(364,114,279)
Finance costs		(6,344,344)	(3,752,321)
		<u>(657,853,313)</u>	<u>(582,913,178)</u>
Net cash flows from operating activities	34	<u>189,853,877</u>	<u>185,067,826</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(183,820,498)	(112,091,403)
Proceeds from sale of property, plant and equipment	10	-	7,045
Increase/Decrease in long term receivables		73,507	1,912,117
Proceeds from sale of biological assets that form part of an agricultural activity	7	1,696,114	2,089,100
Proceeds from sale of other assets		-	(3,317)
Net cash flows from investing activities		<u>(182,050,877)</u>	<u>(108,086,458)</u>
Cash flows from financing activities			
Repayment of other financial liabilities		(6,357,560)	(3,153,551)
Increase in loan Received		47,674,392	4,894,660
Net cash flows from financing activities		<u>41,316,832</u>	<u>1,741,109</u>
Net increase/(decrease) in cash and cash equivalents		<u>49,119,832</u>	<u>78,722,477</u>
Cash and cash equivalents at the beginning of the year		325,028,533	246,306,056
Cash and cash equivalents at the end of the year	2	<u>374,148,365</u>	<u>325,028,533</u>

Accounting Policies

1. Basis of Preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise. They are presented in South African Rand.

The standards are summarised as follows:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The Effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated financial statements and accounting for controlled entities
GRAP 7	Accounting for Investments in Associates
GRAP 8	Financial Reporting of Interest in Joint Ventures
GRAP 9	Revenue
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events After the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 100	Non-current Assets Held for Sale and Discontinued Operations
GRAP 101	Agriculture
GRAP 102	Intangible Assets

GRAP 6, 7, and 8 have been complied with to the extent that the requirements in these standards relate to the municipality's separate financial statements.

Accounting policies for material transactions, events or conditions not covered by the above GRAP Standards have been developed in accordance with paragraphs 7, 11 and 12 of GRAP 3.

These accounting policies and the applicable disclosures have been based on the International Public Sector Accounting Standards (IPSAS) and the South African Statements of Generally Accepted Accounting Practices (SA GAAP) including any interpretations of such Statements issued by the Accounting Practices Board.

IPSAS 20	Related Party Disclosures
IPSAS 21	Impairment of Non Cash-Generating Assets
IFRS 7	Financial Instruments: Disclosures
IAS 19	Employee Benefits
IAS 32	Financial Instruments: Presentation
IAS 36	Impairment of Assets
IAS 39	Financial Instruments: Recognition and Measurement
IFRIC 4	Determining whether an arrangement contains a lease

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

The accounting policies applied are consistent with those used to present the previous year's financial statements, unless explicitly stated. The details of any changes in accounting policies are explained in the relevant policy.

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

1.1 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are insignificant to the annual financial statements are set out below:

Accounting Policies

1.1 Significant judgements and sources of estimation uncertainty (continued)

Revenue Recognition

Accounting Policy 1.14 on Revenue from Exchange Transactions and Accounting Policy 1.15 on Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In concluding judgement, management considered the detailed criteria for recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and, in particular, whether the municipality, when goods are sold, had transferred to the buyer the significant risks and rewards of ownership of the goods and when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

Financial assets and liabilities

The classification of financial assets and liabilities is based on judgement by management.

Sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

Impairment of Financial Assets - Accounting Policy 1.12: Financial Instruments, referring to paragraph on Impairment of Financial Assets, describes the process followed to determine the value with which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in IAS 39: Financial Instruments - Recognition and Measurement. The management of the municipality is satisfied that impairment of financial assets recorded during the year is appropriate. Details of the impairment loss calculation are provided in the applicable notes to the Annual Financial Statements.

Useful lives of Property, Plant and Equipment - As described in Accounting Policy 1.7, the municipality depreciates its property, plant and equipment and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are brought into use. The useful life and residual values of the assets are based on industry knowledge and are revalued annually.

Defined Benefit Plan Liabilities - The municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of IAS 19. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in the applicable notes to the Annual Financial Statements.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

1.2 Presentation of currency

These annual financial statements are presented in South African Rand, which is the functional currency of the municipality, and amounts are rounded off to the nearest R1.

1.3 Going Concern Assumption

The annual financial statements have been prepared on the basis that the municipality is a going concern and will continue in operation for the foreseeable future.

Accounting Policies

1.4 Housing development fund

The Housing Development Fund was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from national and provincial government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to a Housing Development Fund. Housing selling schemes, both complete and in progress as at 1 April 1998, were also transferred to the Housing Development Fund. In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Development Fund. Monies standing to the credit of the Housing Development Fund can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.5 Internal reserves

Capital replacement reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/(deficit) to the CRR in terms of the Annual Budget. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/(deficit) is credited by a corresponding amount when the amounts in the CRR are utilised.

Capitalisation reserve

On the implementation of GAMAP/GRAP, the balance of certain funds, created in terms of the various Provincial Ordinances applicable at the time, that had historically been utilised for the acquisition of items of property, plant and equipment, were transferred to a Capitalisation Reserve rather than the accumulated surplus/deficit, as in prior years, in terms of a directive (Circular No. 18) issued by National Treasury. The purpose of this Reserve is to promote consumer equity by ensuring that the future depreciation charge that will be incurred over the useful lives of these items of property, plant and equipment is offset by transfers from this reserve to the accumulated surplus/deficit.

The balance on the Capitalisation Reserve equals the carrying value of the items of property, plant and equipment financed from the former legislated funds. When items of property, plant and equipment are depreciated, a transfer is made from the Capitalisation Reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment is disposed, the balance in the Capitalisation Reserve relating to such item is transferred to the accumulated surplus/deficit.

Government grant reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/deficit to the Government Grants Reserve equal to the Government Grant recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/deficit.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/deficit.

Donations and public contributions reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/deficit to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the statement of financial performance in accordance with a directive issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/deficit. The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/deficit.

Accounting Policies

1.5 Internal reserves (continued)

Self insurance reserve

The municipality has a Self-Insurance Reserve to set aside amounts to offset potential losses or claims that cannot be insured externally. The balance of the self-insurance fund is invested in short-term investments.

Claims are settled by transferring a corresponding amount from the self-insurance reserve to the accumulated surplus.

1.6 Revaluation reserve

The surplus arising from the revaluation of property, plant and equipment in particular land and buildings is credited to a non-distributable reserve. The revaluation surplus is realised as revalued buildings are depreciated, through a transfer from the revaluation reserve to the accumulated surplus/deficit. On disposal, the net revaluation surplus is transferred to the accumulated surplus/deficit while gains or losses on disposal, based on revalued amounts, are credited or charged to the statement of financial performance.

1.7 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

Measurement

Property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary cost of dismantling and removing the asset and restoring the site on which it is located.

Where an asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Subsequent to initial recognition, items of property, plant and equipment is stated at cost, less accumulated depreciation and accumulated impairment losses, where applicable.

Subsequent to initial recognition, buildings are carried at a revalued amount based on municipal valuations, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed by external independent valuers with sufficient regularity such that the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset.

An increase in the carrying amount of land and buildings as a result of a revaluation is credited directly to a revaluation surplus reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in surplus or deficit.

Accounting Policies

1.7 Property, plant and equipment (continued)

A decrease in the carrying amount of an asset as a result of a revaluation is recognised in surplus or deficit, except to the extent of any credit balance existing in the revaluation surplus in respect of that asset.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation.

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery of the asset are enhanced in excess of the originally assessed standard of performance. If expenditure only restores the originally best estimate of the expected useful life of the asset, then it is regarded as repairs and maintenance and is expensed. The enhancement of an existing asset so that its use is expanded or the further development of an asset so that its original life is extended is examples of subsequent expenditure which should be capitalised.

Depreciation

Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets and after taking into account the residual value of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following originally estimated useful lives (unless a technical assessment of an individual asset concludes that a material variation is necessary):

	Years		Years
Infrastructure		Other	
Roads and Paving	10-100	Buildings	30
Electricity	10-50	Specialist vehicles	10
Water	10-100	Other vehicles	5
Sewerage	10-100	Office equipment	1-7
Housing	30	Furniture and fittings	1-10
		Watercraft	
Community		Bins and containers	5
Improvements	30	Specialized plant and	
Recreational Facilities	20-30	Equipment	10-15
Security	5	Other plant and	
		Equipment	2-5

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statements of Financial Performance.

Heritage assets

These are assets that are defined as culturally significant resources which are not depreciated owing to the uncertainty regarding their estimated useful lives.

Land

Land is not depreciated as it is deemed to have an indefinite useful life.

Incomplete construction work

Incomplete construction work is stated at historical cost. Depreciation only commences when the asset is commissioned into use.

Disposal of property, plant and equipment

The book values of assets are written off on disposal. The difference between the carrying value of assets and the sales proceeds is included in the Statement of Financial Performance as a gain or loss on disposal of property, plant and equipment.

Accounting Policies

1.7 Property, plant and equipment (continued)

Impairment

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Derecognition

Items of Property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying value and is recognised in the Statement of Financial Performance.

1.8 Intangible assets

An intangible asset is an identifiable non-monetary asset without physical substance. Examples include computer software, licences, and development costs. The municipality recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost of fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is never capitalised and are charged against income as incurred, while development expenditure is only capitalised to the extent that:

- the municipality intends to complete the intangible asset for use or sale;
- it is technically feasible to complete the intangible asset;
- the municipality has the resources to complete the project; and
- it is probable that the municipality will receive future economic benefits or service potential.

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, where applicable.

In terms of GRAP 102, intangible assets are distinguished between internally generated intangible assets and other intangible assets. It is further distinguished between indefinite or finite useful lives. Intangible assets with finite useful lives are amortised over its useful life. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised but is subject to an annual impairment test.

Where an intangible asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary asset, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Intangible assets are annually tested for impairment.

Where items of intangible assets have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount

The estimated useful life and amortisation method are reviewed annually at the end of the financial year. Any adjustments arising from the annual review are applied prospectively.

The intangible assets under the control of the municipality are amortised according to the straight line method as follows:

Item	Useful life
Computer software, other	3 years
Other intangible assets	30 years

Accounting Policies

1.9 Investment property

Investment property includes property (land or a building, or part of a building, or both land or buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of goods and services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at cost including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction (i.e. where it acquired the investment property for no or a nominal value), its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Investment property is measured using the fair value model. Under the fair value model, investment property is carried at its fair value at the reporting date. The valuations are performed annually by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Changes in fair values are recorded in the Statement of Financial Performance as part of the surplus and deficit.

Where the classification of an investment property is based on management's judgement, the following criteria have been applied to distinguish investment properties from owner-occupied property and from property held for sale in the ordinary course of business:

- All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties.
- land held for a currently undetermined future use.
- a building owned and leased out under one or more operating leases
- leased properties that are held to provide a social (community) service or that are necessary for employees to perform their job functions, but which also generates rental revenue are not seen as investment properties. The rental revenue generated is incidental to the purposes for which the property is held.
- a building that is vacant but is held to be leased out under one or more operating leases.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Financial Performance.

1.10 Non-current assets held for sale and disposal groups

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell.

A non-current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

The gain or loss on the eventual sale of non-current assets held for sale is included in the Statement of Financial Performance as gain or loss on sale of assets. The gain or loss on the eventual sale of non-current assets held for sale, is calculated on the difference between the net disposal proceeds and the carrying amount of the individual asset or the disposal group.

Accounting Policies

1.11 Biological assets that form part of an agricultural activity

Biological assets, which are defined as living animals or plants are recognised on the Statement of Financial Position of the municipality, if the municipality:

- Controls the asset as a result of a past event.
- Regards the inflow of future economic benefits from the use of the asset to be probable.
- Is able to measure the fair value of the asset reliably. This implies that an active market has to exist for the agricultural asset.

Biological assets are measured at fair value at each financial year end, less estimated point-of-sale costs. Fair value is the amount for which an asset can be exchanged between knowledgeable, willing parties in an arm's length transaction. Point-of-sale costs include commissions to brokers, levies by regulatory agencies and as well as transfer taxes and duties.

The changes in fair value less point-of-sale costs from one financial year end to the next are recognised as revenue in the Statement of Financial Performance

Item	Useful life
Trees in a plantation forest	Indefinite

1.12 Financial Instruments

Financial instruments are initially measured at fair value plus, in the case of a financial asset or liability not at fair value through the statement of financial performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial Assets

A financial asset is any asset that is a cash or contractual right to receive cash. The municipality classifies its investments in the following categories:

- Financial assets at fair value through profit or loss.
- Loans and Receivables,
- Held to maturity investments and
- Financial assets available for sale.

Classification depends on the purpose for which the financial instruments were obtained/incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as fair value through surplus or deficit, which shall not be classified out of the fair value through surplus or deficit category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets that meet either of the following conditions:

- they are classified as held for trading; or
 - upon initial recognition they are designated as at fair value through the Statement of Financial Performance.
- They are subsequently measured at fair value at the statement of financial position date with the profit or loss being recognised in the Statement of Financial Performance.

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the municipality provides money, goods or services directly to a debtor without any intention of trading such debtors. Loans and debtors are included in the trade and other receivables in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable dates of maturity which the municipality intend and are able to keep to maturity. They are included under non-current and current assets in the statement of financial position and are subsequently measured at amortised cost using the effective interest rate method.

Accounting Policies

1.12 Financial Instruments (continued)

Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available-for-sale and comprises of cash and equity instruments held in shares. They are included under current assets in the statement of financial position and are initially and subsequently measured at fair value at the statement of financial position date, except for investments in equity instruments that do not have quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

Impairment of financial assets

An assessment is performed at each Statement of Financial Position date to determine whether objective evidence exist that a financial asset is impaired, such as the probability of insolvency or significant financial difficulties of a debtor. If there is such evidence, the recoverable amount is estimated and an impairment loss is recognised in surplus or deficit.

An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified as irrecoverable. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

Consumer debtors are recognised initially at cost and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The provision is made so that the recoverability of Consumer Debtors is assessed individually and then collectively after grouping the assets in financial assets with similar credit risk characteristics. Government accounts are not provided for as such accounts are regarded as receivable.

Other debtors consist among other of various debtors and/or suspense accounts with debit balances. These other debtors are assessed individually for impairment to ensure that no objective evidence exists that these debtors are irrecoverable. Should an individual debtor or group of debtors and or suspense account be regarded as irrecoverable, a provision for impairment is made.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account and the amount of loss is recognised in the Statement of Financial Performance. Subsequent recoveries of amounts previously written off are credited against the Statement of Financial Performance.

With the exception of Available-for-Sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Financial Performance to the extent that the carrying amount of the investment, at the date the impairment is reversed, does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of Available-for-Sale equity securities, impairment losses previously recognised through profit or loss are not reversed through the Statement of Financial performance. Any increase in fair value subsequent to an impairment loss is recognised directly in equity.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the Statement of Financial Performance.

Financial Liabilities

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity. There are two main categories of Financial Liabilities, the classification determining how they are measured. Financial liabilities may be measured at:

Accounting Policies

1.12 Financial Instruments (continued)

- Fair value through profit or loss; or
- Other financial liabilities at amortised cost

The municipality measures all financial liabilities including trade and other payables, at amortized cost using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions) and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

Trade Payables and Other

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, which is the initial carrying amount, less repayments, plus interest.

Derecognition of financial assets and liabilities

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.13 Inventories

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost and net realisable value unless they are to be distributed at no or nominal charge, in which case they are measured at the lower of cost and current replacement cost. In general, the basis of determining cost is the weighted average cost of commodities.

Water and purified effluent are valued at purified cost insofar as it is stored and controlled in reservoirs at year-end.

Unsold properties are valued at the lower of cost and net realisable value on a weighted average cost basis. Direct costs are accumulated for each separately identifiable development. Costs also include a proportion of overhead costs, if the costs occur frequently and are separately identifiable..

Cost of inventory comprises all costs of purchase, cost of conversion and other cost incurred in bringing the inventory to its present location and condition. Where inventory is manufactured, constructed or produced, the cost includes the cost of labour, materials and overheads used during the manufacturing process.

Where inventory is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

When inventories are sold, distributed, written off or consumed, the carrying amount of those inventories is recognised as an expense in the period in which the related income is recognised, unless that cost qualifies for capitalisation to the cost of another asset. Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Differences arising on the valuation of inventory are recognised in the Statement of Financial Performance in the year in which they arose. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs

Accounting Policies

1.14 Revenue from exchange transactions

Revenue is derived from a variety of sources that include rates levied, grants from other tiers of government and revenue from trading activities and other services provided.

Revenue comprises the fair value of the remuneration received or receivable for the sale of services or goods in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the municipality and when specific criteria have been met for each of the municipalities' activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where revenue and the underlying asset (receivable) has already been recognised based on the information available at the time of the transaction and subsequently arises as to the recoverability of the receivable, an impairment loss, also known as a bad debt provision, is created and the provision is set-off against the receivables, as a provision for impairment.

Revenue is recognised as follows:

Service Charges

Service charges relating to electricity and water are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property, regardless of whether or not all containers are emptied during the month.

Service charges from sewerage and sanitation are based on the number of sewerage connections on each developed property using the tariffs approved from Council and are levied monthly.

Pre-paid electricity

Revenue from the sale of electricity prepaid cards is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Interest earned

Interest earned on investments is recognised in the Statement of Financial Performance on the time proportionate basis that takes into account the effective yield on the investment.

Dividends

Dividends are recognised on the date that the Municipality becomes entitled to receive the dividend in accordance with the substance of the relevant agreement, where applicable.

1.14 Revenue from exchange transactions (continued)

Royalties

Royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement. Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Charges

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant approved tariff. This includes the issuing of licences and permits.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- The municipality has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The municipality retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from agency services

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Housing rental and instalments

Finance income from the sale of housing by way of instalment sales agreements or finance leases is recognised on a time proportion basis.

Public contributions

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised.

1.15 Revenue from non-exchange transactions

An inflow of resources from a non-exchange transaction, that meets the definition of an asset shall be recognised as an asset when it is probable that the future economic benefits or service potential associated with the asset will flow to the municipality and the fair value of the asset can be measured reliably. The asset shall be recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

A present obligation arising from a non-exchange transaction that meets the definition of a liability will be recognised as a liability when it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate of the amount can be made.

Rates and taxes

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable.

1.15 Revenue from non-exchange transactions (continued)

Fines

Fines constitute both spot fines and summonses. Fines are economic benefits or service potential received or receivable by the municipality as a consequence of the individual or entity breaching the requirements of laws or regulations. Fines are recognised as revenue when the receivable meets the definition of an asset and satisfies the criteria for recognition as an asset. Assets arising from fines are measured at the best estimate of the inflow of resources to the municipality.

When an estimate can be made for the revenue amount that is expected to be collected from spot fines based on past experience of amounts collected, this is recognized as revenue. Where a reliable estimate cannot be made, revenue from spot fines is recognized when paid by the offender. Revenue from the issuing of summonses is only recognized when notified by the public prosecutor of the amount actually collected.

Donations and Contributions

Gifts and donations are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

Goods in-kind are recognised as assets when the goods are received, or there is a binding arrangement to receive the goods. Conditions on a transferred asset give rise to a present obligation on initial recognition.

On initial recognition, gifts and donations (including goods in-kind) are measured at their fair value as at the date of the acquisition, which may be ascertained by reference to an active market, or by appraisal.

Revenue from recovery of unauthorised, irregular, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

Unallocated deposits

Unallocated deposits in the municipality's bank account are temporarily posted to a separate suspense account. The balance in this account at year-end is disclosed as a creditor in the annual financial statements. Amounts not allocated within three years are transferred to revenue under 'other income'. In the unlikely event of an amount subsequently (after three years) identified as a payment on a consumer debtor account, any re-allocation will be treated as a correction of a prior period error in terms of GRAP 3.

1.16 Conditional grants and receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs are recognised in the Statement of Financial Performance in the period in which they become receivable.

1.17 Employee benefits

Short-term employee benefits

The costs of all short-term employee benefits those payable within 12 months after service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) such as leave pay, are recognised during the period in which the employee renders the related service and are not discounted. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

1.17 Employee benefits (continued)

The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

Defined contribution plans

A defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity. The municipality has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to service in the current or prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in the Statement of Financial Performance in the period in which the service is rendered by the relevant employees. The municipality has no further payment obligations once the contributions have been paid.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Municipality provides retirement benefits for its employees and councillors that includes post retirement medical aid benefits and long service awards.

Medical Aid: Continued Members

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and unrecognised actuarial gains and losses, reduced by unrecognised past service costs. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and a discount rate based on the government bond rate.

Past-service costs are recognised immediately in income, unless the changes to the plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

Actuarial Gains and Losses

Actuarial gains or losses are accounted for using the "corridor method". Actuarial gains and losses are eligible for recognition in the Statement of Financial Performance to the extent that they exceed 10 per cent of the present value of the gross defined benefit obligations in the scheme at the end of the previous reporting period. Actuarial gains and losses exceeding 10 per cent are spread over the expected average remaining working lives of the employees participating in the scheme. Actuarial valuations are performed bi-annually.

Long-service Allowance

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates, an employee (who is on the current Conditions of Service), is entitled to a cash allowance, calculated in terms of the rules of the scheme, after 10, 15, 20, 25 and 30 years of continued service. The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for through the statement of financial performance.

Provincially-administered Defined Benefit Plans

The municipality contributes to various National- and Provincially-administered Defined Benefit Plans on behalf of its qualifying employees. These funds are multi-employer funds (refer to applicable note of the Annual Financial Statements for details). The contributions to fund obligations for the payment of retirement benefits are charged against revenue in the year they become payable. These defined benefit funds are actuarially valued triennially on the Projected Unit Credit Method basis. Deficits are recovered through lump sum payments or increased future contributions on a proportional basis from all participating municipalities.

Accounting Policies

1.18 Provisions and contingencies

Provisions are recognised when:

- the municipality has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Accrued Leave Pay

Liabilities for annual leave are recognised as they accrue to employees. Provision is based on the total accrued leave days owing to employees and is reviewed annually.

Provision for the rehabilitation of landfill sites

At year end a provision is raised for the rehabilitation of landfill sites. The provision is the net present value of the future cash flows to rehabilitate damaged land at year end.

Provision for removal of alien vegetation

At year end a provision is raised for the removal of alien vegetation. The provision is the net present value of the future cash flows of removing existing alien vegetation at year end.

Provision for constructive obligations (Grant-in-aid contributions)

Provision is made for any constructive obligations of the municipality. A constructive obligation arises through an established pattern of past practice, published policies or a sufficiently specific current standard, whereby the municipality has indicated to other parties that it will accept certain responsibilities and as a result, the municipality has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

The municipality transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the municipality does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the financial statements as expenses in the period that the events giving rise to the transfer occurred.

1.19 Leases

The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liabilities are raised as Finance Lease Obligations. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense on a straight-line basis (where applicable) over the term of the relevant lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. Any contingent rents are expensed in the period they are incurred.

The Municipality as Lessor

Amounts due from lessees under finance leases or instalment sale agreements are recorded as receivables at the amount of the Municipality's net investment in the leases. Finance lease or instalment sale income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Municipality's net investment outstanding in respect of the leases or instalment sale agreements.

Accounting Policies

1.19 Leases (continued)

Rental income from operating leases is recognised and recorded on a straight-line basis (where applicable) over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income from leases is disclosed under revenue in the Statement of Financial Performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.20 Borrowing costs

The municipality capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognised as an expense in the Statement of Financial Performance.

1.21 Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with a maturity period of between three and twelve months and are subject to an insignificant risk of change in value. Cash and cash equivalents are carried in the balance sheet at fair value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and cash with bank, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred.

1.22 Value Added Tax

The Municipality accounts for Value Added Tax on the cash (receipt) basis.

1.23 Contingent assets and contingent liabilities

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.24 Unauthorised expenditure

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance in the year that the expense was incurred and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.25 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Accounting Policies

1.26 Fruitless and wasteful expenditure

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance in the year that the expenditure was recorded. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.27 Foreign currencies

Transactions in foreign currencies are initially recorded at the prevailing exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in such foreign currencies are retranslated at the rates prevailing at the reporting date. Exchange differences are included in the Statement of Financial Performance in the period in which they arise.

Where the transaction is covered by a forward exchange contract, the rate specified in the contract is used.

1.28 Comparative figures

Current year comparatives:

Budgeted amounts have, in accordance with GRAP 1, been provided in an annexure to these financial statements and forms part of the audited annual financial statements.

Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where accounting errors have been identified in the current year, the correction is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year, the adjustment is made retrospectively as far as is practicable, and the prior year comparatives are restated accordingly.

1.29 Changes in accounting policies, estimates and errors

Changes in accounting policies that are effected by management have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note of the Annual Financial Statements for details of changes in accounting policies.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of Errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality shall restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable. Refer to applicable note to the Annual Financial Statements for details of corrections of errors recorded during the period under review.

1.30 Related parties

Key management as well as their close family members, and/or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.31 Events after the reporting date

Events after the reporting date that are classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

Accounting Policies

1.32 Budget information

Municipalities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipalities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the annual financial statements.

1.33 Standards, amendments to standards and interpretations issued but not yet effective

The following GRAP standards have been issued but are not yet effective and have not been early adopted by the municipality:

GRAP 18 Segment Reporting - issued March 2005

GRAP 20 Related Party Disclosures- issued June 2011

GRAP 25 Employee Benefits - issued February 2008

GRAP 105 Transfer of Function Between Entities Under Common Control- issued November 2010

GRAP 106 Transfer of Function Between Entities Not Under Common Control- issued November 2010

GRAP 107 Mergers - issued November 2010

Application of all of the above GRAP standards will be effective from a date to be announced by the Minister of Finance. This date has not been determined yet.

Management has considered all the GRAP standards issued but not yet effective and anticipates that the adoption of these standards will not have a significant impact on the financial position, financial performance or cash flows of the municipality, at least not for the year under review.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
2. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,710	5,710
Bank balances	36,192,838	23,796,130
Short-term deposits	337,949,817	301,226,693
	374,148,365	325,028,533

Current investment deposits

Sanlam Investment Management	337,529,393	300,806,269
New Republic Bank	420,424	420,424
	337,949,817	301,226,693

Call Deposits are investments with a maturity period between 3 and 12 months and earn interest varying from 7 % to 15 % per annum.

Included under current investment deposit is an investment with the New Republic Bank that is currently under curatorship amounting to R 420 424.

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	2012	2011	2010	2012	2011	2010
ABSA Bank - Stellenbosch Branch - Primarv Bank Account - 410 188 031	27,392,603	14,581,609	15,123,125	36,192,838	23,796,130	21,327,751
ABSA Bank - Stellenbosch Branch - Municipal Services Account - 407 007 5635	-	-	-	-	-	-
ABSA Bank - Stellenbosch Branch - Traffic Account - 407 157 9787	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Cheque account - 406 816 5969	-	-	-	-	-	-
ABSA BANK - Stellenbosch Branch - Call account - 905 7799 790	-	-	-	-	-	-
Total	27,392,603	14,581,609	15,123,125	36,192,838	23,796,130	21,327,751

Cash and cash equivalents

The following bank accounts, 406-816-5969 and 905-7799-790 were closed during the financial year as it was not in use.

Included in Cash and Cash equivalents, an amount of R100 000 is held as a guarantee at the Post Office.

Cash Floats and Advances	5,710	5,710
Other Cash Equivalents	36,192,838	23,796,130
Cash on hand in Cash Floats, Advances and Equivalents	36,198,548	23,801,840

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
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2. Cash and cash equivalents (continued)

The management of the municipality is of the opinion that the carrying value of Bank Balances, Cash and Cash Equivalents recorded at amortised cost in the Annual Financial Statements approximate their fair values.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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Figures in Rand

	2012	Restated 2011
3. Consumer debtors		
Rates	32.051.132	32.099.204
Electricity	13.807.197	14.625.835
Water	27.234.583	25.223.795
Sewerage	9.035.392	8.402.652
Refuse	9.980.098	9.027.638
Housing rental	15.899.922	21.183.547
Sundry	6,025,939	7,870,051
	114,034,263	118,432,722
Less: Provision for debt impairment		
Rates	(4.546.573)	(7.046.038)
Electricity	(2.017.138)	(2.415.411)
Water	(3.080.131)	(4.479.266)
Sewerage	(1.368.744)	(1.408.378)
Refuse	(1.016.968)	(1.521.858)
Housing rental	(12.451.249)	(14.177.885)
Sundry	(975,614)	(1,385,151)
	(25,456,417)	(32,433,987)
Net balance		
Rates	27.504.559	25.053.166
Electricity	11.790.059	12.210.424
Water	24.154.452	20.744.529
Sewerage	7.666.648	6.994.274
Refuse	8.963.130	7.505.780
Housing rental	3.448.673	7.005.662
Sundry	5,050,325	6,484,900
Total Consumer Debtors	88,577,846	85,998,735
Rates		
Current (0 -30 days)	5.723.776	5.290.869
31 - 60 days	926.885	1.130.982
61 - 90 days	691.562	958.430
91 - 120 days	533.927	646.096
121 - 365 days	7.111.151	9.359.088
> 365 days	17,063,831	14,713,739
	32,051,132	32,099,204
Electricity		
Current (0 -30 days)	9.392.428	17.983.774
31 - 60 days	810.754	901.395
61 - 90 days	245.356	639.806
91 - 120 days	178.032	405.211
121 - 365 days	918.138	1.143.343
> 365 days	2,262,489	3,000,369
	13,807,197	24,073,898

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
3. Consumer debtors (continued)		
Water		
Current (0 -30 days)	4.653.820	7.313.434
31 - 60 days	1.398.681	1.429.590
61 - 90 days	1.183.674	1.767.583
91 - 120 days	1.047.668	1.241.167
121 - 365 days	5.203.719	5.391.409
> 365 days	13,747,021	11,001,753
	27,234,583	28,144,936
Sewerage		
Current (0 -30 days)	1.051.006	996.380
31 - 60 days	326.704	369.414
61 - 90 days	275.931	325.695
91 - 120 days	258.621	292.457
121 - 365 days	2.116.280	2.391.053
> 365 days	5,006,850	4,027,653
	9,035,392	8,402,652
Refuse		
Current (0 -30 days)	991.842	895.461
31 - 60 days	333.212	341.123
61 - 90 days	290.544	302.242
91 - 120 days	274.886	297.043
121 - 365 days	2.351.770	2.366.895
> 365 days	5,737,844	4,824,874
	9,980,098	9,027,638
Housing rental		
Current (0 -30 days)	514.246	519.802
31 - 60 days	216.115	397.361
61 - 90 days	203.230	391.325
91 - 120 days	202.224	285.703
121 - 365 days	1.733.279	4.456.845
> 365 days	13,030,828	15,132,511
	15,899,922	21,183,547
Sundry		
Current (0 -30 days)	1,035,986	2,775,275
31 - 60 days	187,632	161,704
61 - 90 days	501,257	139,505
91 - 120 days	155,100	322,747
121 - 365 days	1,192,759	845,772
> 365 days	2,953,205	3,625,048
	6,025,939	7,870,051
Reconciliation of debt impairment provision		
Balance at beginning of the year	(32,433,985)	(34,455,675)
Contributions to provision	6,977,568	2,021,688
Debt impairment written off against provision	19,397,224	11,316,077
Reversal of provision	(19,397,224)	(11,316,077)
	(25,456,417)	(32,433,987)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

3. Consumer debtors (continued)

Fair value of Consumer Debtors: Government Debt

	Rates	Electricity	Refuse Removal	Sewerage	Water	Sundries	Total
Consumer debtors							
State Properties	8	-	-	-	-	-	8
State Property Annual	855.057	4.139	3.974	3.329	1.760	2.222	870.481
State Property Monthly	7.214	240.795	12.024	41.396	121.607	287.091	710.127
State Property Tenants	681	30.817	5.121	10.015	377.965	2.953	427.552
Schools	80.594	159.508	13.028	55.090	157.267	-	465.487
Educational Facilities	-	826	9,621	24,905	46,970	-	82,322

Consumer Debtors are billed monthly, latest end of month. No interest is charged on trade receivables until the 7th of the following month. Thereafter interest is charged at a rate determined by council on the outstanding balance. The municipality strictly enforces its approved Credit Control and Debt Collection Policy to ensure the recovery of Outstanding Consumer Debtors.

Deposits are required to be paid for all services accounts opened. There are no individual consumers, representing more than 5% of the total balance of Consumer Debtors.

The management of the municipality is of the opinion that the carrying value of Consumer Debtors approximates their fair values.

The fair value of Consumer Debtors was determined after considering the standard terms and conditions of agreements entered into between the municipality and Consumer Debtors as well as the current payment ratios of the municipality's Consumer Debtors.

In determining the recoverability of debtors, the municipality has placed strong emphasis on verifying the indigent status of consumers. Provision for impairment of Consumer Debtors has been made for all consumer balances outstanding based on the payment ratio over 12 months per service type. No further credit provision is required in excess of the Provision for Impairment.

In determining the recoverability of a Consumer Debtor, the municipality considers any change in the credit quality of the Consumer Debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the management believe that there is no further credit provision required in excess of the Provision for Impairment.

4. Inventories

Consumable stores	5.062.601	5.072.710
Water	98,104	86,014
	<u>5,160,705</u>	<u>5,158,724</u>

The Statement of Financial Performance include R1 230 (2011: R121 481) in respect of write-downs of inventory to net realisable value.

Inventories, consisting of consumable stores, raw materials, work-in-progress and finished goods are valued at the lower of cost or net realisable value. The total carrying amount relating to inventories amount to R5 160 889.

The amount of the inventory written down is R1 230 and is recognised as an expense and a reduction in the carrying value of inventories. The circumstances relating to the write down is as a result of fuel shortages, damaged stock and shortages on general stock items as reported and approved accordingly. No inventories were pledged as security for liabilities.

The comparative figures were restated. Refer to the prior period error note 56.

5. Receivables from exchange transactions

Insurance debtor	286,126	335,120
Capital debtors	5,445,866	3,872,672
Other	17,468,015	18,517,568
Sundry	489,460	623,804
	<u>23,689,467</u>	<u>23,349,164</u>

Capital debtors represent funding that Council is awaiting from external institutions for capital expenditure incurred and claimed, but not yet received at year-end.

The average credit period for Government Grants and Subsidies is dependent on the Government Department involved and the nature of the claim. No interest is charged on outstanding Government Grants and Subsidies. The subsidies are payable to the municipality resulting from allocations made in the DORA or based on agreements between the municipality and the relevant departments.

The average credit period for Other Debtors is 30 days. The municipality strictly enforces its approved credit control policy to ensure the recovery of Other Debtors.

No interest is charged for the first 30 days from the date of the invoice. Thereafter interest is charged at the prime rate, charged by the municipality's banker, plus one percent per annum on the outstanding balance.

The management of the municipality is of the opinion that the carrying value of Other Debtors approximate their fair values.

The comparative figures were restated. Refer to the prior period error note 56.

6. VAT receivable

The comparative figures were restated. Refer to the prior period error note 56.

7. Biological assets that form part of an agricultural activity

	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Trees in a plantation forest	14,285,879	-	14,285,879	15,787,529	-	15,787,529

Reconciliation of biological assets that form part of an agricultural activity - 2012

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	15,787,529	(1,496,682)	(4,968)	14,285,879

Reconciliation of biological assets that form part of an agricultural activity - 2011

	Opening balance	Decreases due to harvest / sales	Gains or losses arising from changes in fair value	Total
Trees in a plantation forest	13,529,438	(1,823,483)	4,081,574	15,787,529

Non - Financial information

Nature and Quantities of each biological asset	Opening Balance	Less: Decrease due to Harvest	Fair Value Decrease (-)/Increase for the year	Closing balance
Idasvalley Plantation	25,428	(25,428)	-	-
Botmanskop Plantation	4,532,052	-	29,778	4,561,830
Paradyskloof Plantation	10,551,968	(793,173)	(34,746)	9,724,050
Louwsbos Plantation	678,080	(678,080)	-	-
	15,787,528	(1,496,681)	(4,968)	14,285,880

The determination of fair value was as follow:

Principle:

Price determination: was done on the basis of current sale value of the tender for the current year i.e. R652/m3 excluding 14% VAT. This value was given to all trees, irrespective of age as it is difficult to determine a value for different aged trees. The harvestable age starts from 20 years old where the minimum estimated yield would be 100m3/ha.

It must also be noted that this yield is based on optimum growing conditions and the existing microclimates, and thus the yield might vary per compartment. Refer to the Forestry Handbook p204.

7. Biological assets that form part of an agricultural activity (continued)

Description of the Biological Assets

1. Botmanskop plantation (Block E)	Some compartments remain which can be harvested at a later stage due to the age of the trees
2. Papegaaiberg (Block F)	Permanently excised. In process of applying for nature reserve status.
3. Paradyskloof plantation (Block G)	Some compartments remain which can be harvested at a later stage due to the age of the trees

Strategy to mitigate risks

The strategy to mitigate risks attached to this category of assets is to prevent the spread of runaway veld fires by maintaining fire breaks.

8. Investment property

	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Investment property	528,780,075	-	528,780,075	523,325,000	-	523,325,000

Reconciliation of investment property - 2012

	Opening balance	Fair value adjustments	Total
Investment property	523,325,000	5,455,075	528,780,075

Reconciliation of investment property - 2011

	Opening balance	Fair value adjustments	Total
Investment property	522,611,500	713,500	523,325,000

Method of Asset Valuation 2012

1. The date of valuation was 30 June 2012

2. Method:

2.1 The general valuation of 2008 was used as basis and measured against more or less similar sales records in the deeds office to determine movement between 2011 and 2012.

Different areas with the same demography were identified during which sales within such areas was further analysed to calculate a more accurate increase per area.

8. Investment property (continued)

2.2 The following different areas with the same demography were identified:

- (a) Idasvalley and Cloeterville
- (b) Uniepark, die Weides and Mostertsdrift
- (c) Central Business District of Stellenbosch
- (d) Brandwag, Die Boord, Paradyskloof and Onder Papagaaiberg.
- (e) Welgevonden
- (f) Franschhoek
- (g) Pniel, Kylemore, Le Roux, Jamestown
- (h) Klapmuts
- (i) Kayamandi

2.3 The valuator's recommendation was that the valuations of Wemmershoek, La Motte, Lanquedoc remains the same as the 2011 valuations because this is sub economic housing and the sales (if any) are subsidized.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Revaluation of all Investment Property was performed by an accredited registered valuator, Mr. H Badenhorst.

9. Long term receivables

Current receivables

Receivables	169,492	153,400
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Loans and receivables

Land sales	6,809	42,275
Officials: Erven loans	57,439	63,434
Farmers: Water scheme	340,104	351,415
Housing selling scheme loans	1,987,187	2,133,082
Impairment - Land sales	(4,290)	(26,633)
Impairment - Officials: Erven loans	(36,186)	(39,963)
Impairment - Farmers: Water scheme	(214,265)	(221,391)
Impairment - Housing selling scheme loans	(1,251,927)	(1,343,841)
Transfer to Current Portion	(169,492)	(153,400)

	715,379	804,978
Total other financial assets	884,871	958,378

Non-current assets

Loans and receivables	715,379	804,978
-----------------------	---------	---------

Current assets

Loans and receivables	169,492	153,400
	884,871	958,378

Housing selling scheme loans

Housing loans are granted to qualifying individuals in terms of the provincial administration's housing programme. These loans attract interest at 7% per annum and are repayable over 10 years.

The municipality has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

Provision for impairment of Long Term Debtors has been made for all Long Term Debtor balances outstanding based on the payment ratio over 12 months.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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10. Property, plant and equipment

	2012			Restated 2011		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land and buildings	830,835,755	(12,584,254)	818,251,501	787,307,587	(12,216,287)	775,091,300
Infrastructure	2,363,274,972	(460,734,167)	1,902,540,805	2,262,794,598	(376,842,001)	1,885,952,597
Community	83,995,674	(7,184,397)	76,811,277	78,389,801	(4,554,488)	73,835,313
Heritage	143.945	-	143.945	143.945	-	143.945
Other property, plant and equipment	248,765,228	(101,099,083)	147,666,145	183,391,029	(84,292,032)	99,098,997
Total	3,527,015,574	(581,601,901)	2,945,413,673	3,312,026,960	(477,904,808)	2,834,122,152

Reconciliation of property, plant and equipment - 2012

	Opening balance	Additions	Transfers	Revaluations	Depreciation	Total
Land and buildings	775,091,300	1,115,567	9,756,904	32,655,696	(367,966)	818,251,501
Infrastructure	1,885,952,597	101,003,937	(523,563)	-	(83,892,166)	1,902,540,805
Community	73,835,313	5,605,874	-	-	(2,629,910)	76,811,277
Heritage	143.945	-	-	-	-	143.945
Other property, plant and equipment	99,098,997	76,095,120	(10,713,344)	-	(16,814,628)	147,666,145
	2,834,122,152	183,820,498	(1,480,003)	32,655,696	(103,704,670)	2,945,413,673

Stellenbosch Municipality

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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2011

	Opening balance	Additions	Disposals	Transfers	Revaluations	Depreciation	Impairment loss	Prior Period Error	Total
Land and buildings	800,212,170	-	-	490,000	30,596,286	(366,872)	(7,970,284)	(47,870,000)	775,091,300
Infrastructure	1,907,671,902	60,496,443	-	(739,790)	-	(81,475,958)	-	-	1,885,952,597
Community	65,194,568	11,053,203	-	-	-	(2,412,458)	-	-	73,835,313
Heritage	143,945	-	-	-	-	-	-	-	143,945
Other property, plant and equipment	72,238,336	40,541,757	(7,045)	(192,417)	-	(13,481,634)	-	-	99,098,997
	2,845,460,921	112,091,403	(7,045)	(442,207)	30,596,286	(97,736,922)	(7,970,284)	(47,870,000)	2,834,122,152

Other information

Property, plant and equipment fully depreciated and still in use

(Gross carrying amount)

Telecommunication Equipment	2,504,701	-
Vehicles	3,337,165	-
Library Books	64,384	-
Infrastructure Assets	8,283,910	-
Other Assets	11,018,396	-
	25,208,556	-

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Method of Asset Valuation 2012

1. The date of valuation was 30 June 2012

Stellenbosch Municipality

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	2012	Restated 2011
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10. Property, plant and equipment (continued)

2. Method:

2.1 The general valuation of 2008 was used as basis and measured against more or less similar sales records in the deeds office to determine movement between 2011 and 2012.

Different areas with the same demography were identified during which sales within such areas were further analysed to calculate a more accurate increase per area.

2.2 The following different areas with the same demography were identified:

- (a) Idasvalley and Cloetesville
- (b) Uniepark, die Weides and Mostertsdrift
- (c) Central Business District of Stellenbosch
- (d) Brandwag, Die Boord, Paradyskloof and Onder Papagaaiberg.
- (e) Welgevonden
- (f) Franschhoek
- (g) Pniel, Kylemore, Le Roux, Jamestown
- (h) Klapmuts
- (i) Kayamandi

2.3 The valuator's recommendation was that the valuations of Wemmershoek, La Motte, Lanquedoc remains the same as the 2011 valuations because this is sub economic housing and the sales (if any) are subsidized.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality. Revaluation of all Investment Property was performed by an accredited registered valuator, Mr. H Badenhorst.

The comparative figures were restated. Refer to the prior period error note 56.

11. Intangible assets

	2012			Restated 2011		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	1,209,339	(14,231)	1,195,108	199,071	(6,654)	192,417

12. Consumer deposits

Rates	3,062,481	2,938,460
Electricity	6,248,465	6,048,585
Housing rental	403,979	387,674
	9,714,925	9,374,719

13. Employee benefit obligations

The amounts recognised in the statement of financial position are as follows:

Carrying value

Post-retirement health care benefits liability	(148,288,481)	(136,085,667)
Long Service Awards	(21,813,825)	(17,468,444)
Net liability	(170,102,306)	(153,554,111)

Stellenbosch Municipality

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	2012	Restated 2011
13. Employee benefit obligations (continued)		
Non-current liabilities	(163,991,540)	(148,021,713)
Current liabilities	(6,110,766)	(5,532,398)
	(170,102,306)	(153,554,111)

13.1 Post- retirement healthcare benefit liability

The municipality provides certain post-retirement health care benefits by funding the medical aid contributions of qualifying retired members of the municipality. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service) is entitled to remain a continued member of such medical aid fund on retirement, in which case the municipality is liable for a certain portion of the medical aid membership fee. The municipality operates an unfunded defined benefit plan for these qualifying employees. The plan is treated as a defined benefit plan under IAS 19. No other post-retirement benefits are provided to these employees.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 30 June 2012 by Mr C Weiss, Fellow of the Actuarial Society of South Africa. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

The transitional Defined Benefit Liabilities for Post-retirement Medical Aid Benefits have been recognised in the Annual Financial Statements of the municipality as at 30 June 2007 in terms of IAS 19, Employee Benefits, paragraph 155(b).

The municipality has elected to recognise the transitional liability as an expense on a straightline basis over 5 years from the date of adoption of which the transitional liability period ended on 30 June 2011.

The members of the Post-employment Health Care Benefit Plan are made up as follows:

The members of the post-employment health care benefit plan are made up as follows:

In-service members (Employees)	554	533
Continuation members (Retirees, widow(ers) and orphans)	175	170
Total members	729	703

The liability in respect of past service has been estimated as follows:

In-service Members	74,465,786	59,737,048
Continuation Members	76,642,901	67,563,862
Total liability	151,108,687	127,300,910

The municipality makes monthly contributions for health care arrangements to the following Medical Aid Schemes:

- Bonitas
- Hosmed
- Keyhealth
- LA Health
- Prosano
- Samwumed

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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Figures in Rand

	2012	Restated 2011
13. Employee benefit obligations (continued)		
The principal assumptions used for the purposes of the actuarial valuations were as follows:		
i) Rates of Interest		
Discount Rate	7.84 %	8.64 %
Health Care Cost Inflation Rate	6.84 %	7.28 %
Net Effective Discount Rate	0.94 %	1.27 %
ii) Normal retirement age		
Expected Retirement Age - Females	60	60
Expected Retirement Age - Males	65	65
The PA 90-2 ultimate mortality table was used by the actuaries		
Pre-retirement: The SA85-90 ultimate table, adjusted for female lives, was used.	-	-
Movements in the present value of the Defined Benefit Obligation were as follows:		
Balance at the beginning of the year	(127,300,910)	(118,357,505)
Current service costs	(5,873,177)	(5,220,979)
Interest cost	(10,812,645)	(10,702,833)
Expected employer Benefits payments	4,483,008	4,578,048
Actuarial (losses) / gains unrecognised	(11,604,963)	2,402,359
Present Value of Fund Obligation at the end of the Year	(151,108,687)	(127,300,910)
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	<u>(151,108,687)</u>	<u>(127,300,910)</u>
The amounts recognised in the Statement of Financial Position are as follows:		
Unrecognised Actuarial Gains/ Losses	2,820,206	(8,784,757)
The amounts recognised in the Statement of Financial Performance are as follows:		
Current service cost	(5,873,177)	(5,220,979)
Interest cost	(10,812,645)	(10,702,833)
Transitional Liability recognised	-	(14,300,160)
Total Post-retirement Benefit included in Employee Related Costs	(16,685,822)	(30,223,972)
The history of experienced adjustments is as follows:		
Fair Value of Plan Assets		
2012	(151,108,687)	-
2011	(136,085,667)	(136,085,667)
2010	(118,358,505)	(118,358,505)
2009	(102,939,800)	(102,939,800)
2008	(104,075,000)	(104,075,000)
2007	(96,326,000)	(96,326,000)
Deficit	(708,893,659)	(557,784,972)

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
13. Employee benefit obligations (continued)		
Mortality Rates		
Post retirement: PA 90-2 ultimate Mortality table was used.		
Post retirement: The SA85-90 ultimate table adjusted for female lives, was used.		
Continuation of Membership		
Its assumed that 40% of current eligible in-service non-members will be on medical aid scheme at retirement (should they not exit employment).		
Information for the three annual periods prior to the comparative year regarding the history of experienced adjustments was not available from the actuarial report, obtained.		
The effect of a 1% movement in the assumed rate of health care cost inflation, is as follows:		
Increase:		
Effect on the aggregate of the current service cost and the interest cost	3,722,800	3,380,000
Effect on the defined benefit obligation	154,831,487	139,465,667
Decrease:		
Effect on the aggregate of the current service cost and the interest cost	(2,876,700)	(2,629,500)
Effect on the defined benefit obligation	148,231,987	133,456,167
The municipality expects to make a contribution of R4 483 008 (2011: R4 578 048) to the Defined Benefit Plans during the next financial year.		
13.2 Long Service Awards		
Non-Current Liability		
Opening Balance	17,468,444	14,802,253
Additions	6,219,363	4,637,742
Utilised during the year	(1,873,982)	(1,971,551)
	21,813,825	17,468,444
Current Liability		
	1,074,798	1,049,390
The amount recognised in the Statement of Financial Position are as follows:		
Present value of Fund Obligations	21,813,825	17,468,444
The amount recognised in the Statement of Financial Performance are as follows:		
Current Service Cost	2,005,893	1,761,588
Actuarial gains (losses)	2,037,842	371,422
Interest Cost	1,351,036	1,314,073
Benefits paid	(1,049,390)	(780,892)
Closing balance	4,345,381	2,666,191
Key assumptions used		
Assumptions used at the reporting date:		
Discount rates used	6.75 %	7.97 %
Cost Inflation Rate	5.96 %	6.31 %
Net Effective Discount Rate	0.74 %	1.56 %

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
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13. Employee benefit obligations (continued)

The municipality operates an unfunded defined benefit plan for all its employees. Under the plan, a Long-service Award is payable after 10 years of continuous service and every 5 years thereafter to employees. Furthermore a Retirement Gift is payable on retirement to employees with 10 years or more service. The provision is an estimate of the long-service based on historical staff turnover. No other long-service benefits are provided to employees.

The most recent actuarial valuations was carried out at 30 June 2012 by Mr C. Weiss, Fellow of the Actuarial Society of South Africa. The present value of the obligation, and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

14. Operating lease

Operating Leases are recognised on the straight-line basis as per the requirement of GRAP 13. In respect of Non-cancellable Operating Leases the following liabilities have been recognised:

Balance at beginning of year	145,649	8,717
Operating lease expenses recorded	3,526,480	3,439,580
Operating lease payments effected	(3,618,283)	(3,302,648)
	53,846	145,649

Leasing Arrangements

The Municipality as Lessee:

Operating Leases relate to Property, Plant and Equipment with lease terms not longer than 5 years, with an option to extend for a further period. All operating lease contracts contain market review clauses in the event that the municipality exercises its option to renew. The municipality does not have an option to purchase the leased asset at the expiry of the lease period.

Amounts Payable under Operating Leases

At the reporting date, the municipality had outstanding commitments under Operating Leases for Property, Plant and Equipment, which fall due as follows:

Buildings:

Up to 1 year	3,910,148	3,325,400
2 to 5 years	7,578,842	372,136
	11,488,990	3,697,536

Vehicles and Other Equipment

Up to 1 year	446,273	446,273
2 to 5 years	8,732	455,005
	455,005	901,278

The following payments have been recognised as an expense in the Statement of Financial Performance:

Total Operating Lease Expenses

Minimum lease payments	3,618,282	3,302,649
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The municipality has operating lease agreements for the following classes of assets:

Buildings	11,488,990	3,697,537
Vehicles and other Equipment	455,006	901,277

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
14. Operating lease (continued)		
	<u>11,943,996</u>	<u>4,598,814</u>
No restrictions have been imposed on the municipality in terms of the operating lease agreements.		
15. Other financial liabilities		
Held at amortised cost		
Annuity Loans	<u>82,858,740</u>	<u>41,541,908</u>
Loans are repaid over periods varying from 2 to 15 (2011: 2 to 15) years and at interest rates varying from 9.25 % to 11.55 % (2011: 9.25 % to 11.55%) per annum.		
Refer to Appendix "A" for more detail on Long-term Liabilities.		
Non-current liabilities		
At amortised cost	78,889,967	37,758,913
Current liabilities		
At amortised cost	<u>3,968,773</u>	<u>3,782,995</u>
	<u>82,858,740</u>	<u>41,541,908</u>

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
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16. Provisions

Reconciliation of provisions - 2012

	Opening Balance	Additions	Utilised during the year	Total	Current Liabilities
Rehabilitation of Land - fill Sites	33,511,623	4,647,054	-	38,158,677	-
Cape Joint Pension and SALA	5,104,718	-	-	5,104,718	5,104,718
Constructive Obligations	264,685	282,512	(270,459)	276,738	282,512
	38,881,026	4,929,566	(270,459)	43,540,133	5,387,230

Reconciliation of provisions - 2011

	Opening Balance	Additions	Utilised during the year	Total	Current Liabilities
Rehabilitation of Land - fill Sites	31,915,832	1,595,791	-	33,511,623	-
Cape Joint Pension and SALA	-	5,104,718	-	5,104,718	5,104,718
Constructive Obligations	269,700	264,686	(269,701)	264,685	264,685
Cleaning of Illegal Dumping	769,433	(1,153,560)	384,127	-	-
	32,954,965	5,811,635	114,426	38,881,026	5,369,403

Non-current liabilities	38,152,903	33,511,623
Current liabilities	5,387,230	5,369,403
	43,540,133	38,881,026

Rehabilitation of Land-fill Sites

In terms of the licencing of the landfill refuse sites, the municipality will incur licensing and rehabilitation costs of R38,158,677 (2011: R33,511,623) to restore the site at the end of its useful life, estimated to be in the 2013/2014 financial year. Provision has been made for the net present value of this cost, using the the average cost of borrowing interest rate.

The municipality expects a reimbursement of R19 342 105 from National Treasury, as part of the Municipal Infrastructure Grant (MIG) allocation, secured for the funding of the rehabilitation of landfill site.

Constructive obligations

Constructive obligations related to Grants in Aid: Rental exist due to expectations created on the part of other parties that the municipality will discharge certain responsibilities.

The comparative figures were restated. Refer to the prior period error note 56.

17. Payables from exchange transactions

Trade payables	598,330	3,804,108
Payments received in advance	5,800,275	9,371,589
Retention	8,996,690	9,981,871
Accrued bonus	7,118,256	6,498,221
Salary Control	5,280,287	3,878,785
Leave Gratuity	12,821,722	12,376,350
Other Creditors	21,286,315	19,145,256
Sundry Deposits	501,055	632,394
Impounded Vehicles	122,442	-
Accruals at Year End	36,495,420	32,048,140
	99,020,792	97,736,714

Stellenbosch Municipality

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	2012	Restated 2011
17. Payables from exchange transactions (continued)		
The comparative figures were restated. Refer to the prior period error note 56.		
18. Unspent conditional grants and receipts		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts		
National Government Grants	1,849,586	8,226,881
Provincial Government Grants	10,787,881	21,833,059
Other Sources	657,134	2,523,378
Developers Contribution - Sewerage	2,152,086	2,542,472
Developers Contribution - Roads	2,214,460	2,950,161
Developers Contribution - Electricity	7,538,400	4,768,841
Developers Contribution - Water	3,686,740	3,737,470
Developers Contribution - Open Areas	165,928	165,928
Developers Contribution - Parking	1,440,348	1,440,348
Developers Contribution - General	117,753	117,753
Developers Contribution - La Clemence	2,402,851	2,297,588
Developers Contribution - Refuse	174,857	-
Developers Contribution - Stormwater	595,532	-
Fransdevco: Development Rights	3,347,553	3,347,553
Franschhoek: Low Cost Housing (Phase 2)	301,300	301,300
LGWSETA Training	1,939,979	1,220,427
Financial Management Grant	-	37,285
Cemetery Donation	2,200	2,200
Marais Park Bequest	20,000	20,000
Don & Pat Bilton Clinic	231,084	231,084
Franschhoek Belgium Development	7,100	7,100
Dilbeek	101,161	55,925
Western Cape Water Quality	304,517	304,517
Leuven Study Grant	13,256	13,256
Library Services Support Grant	297,200	174,590
Housing Consumer Education	68,010	68,010
CDW Support Grant	62	47,241
Municipal Systems Improvement Grant	-	26,352
Festival of Light	7,222	5,831
Cleanest Town	40,000	40,000
Top Structure	251,226	127,113
	40,715,426	56,633,663
Movement of Capital Grants during the year		
Balance at the beginning of the year	56,633,663	58,291,415
Income	43,072,942	38,454,386
Capital Expenditure	(56,640,775)	(40,112,138)
Other Income - VAT	(1,425,139)	-
	41,640,691	56,633,663

The receipt and spending of Government Grants are monitored by National and Provincial Government and reports in this regard are submitted quarterly. See also Note 23 for Grants received from National/Provincial Government. These amounts are invested in a ring-fenced investment until utilized.

Refer to Appendix "F" for more detail on Conditional Grants.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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19. Accumulated surplus

Ring-fenced internal funds and reserves within accumulated surplus - 2012

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	112,765,244	623,067,742	128,257,387	84,352,247	9,885,492	958,328,112
Depreciation	-	(2,781,968)	(3,750,443)	(28,030,625)	-	(34,563,036)
Transfer to capital replacement reserve	49,618,415	-	-	-	-	49,618,415
Property, plant and equipment purchases	(79,550,616)	-	21,529,861	45,722,403	-	(12,298,352)
Contribution to Capital Replacement Reserve	77,099,388	-	-	-	-	77,099,388
	159,932,431	620,285,773	146,040,989	102,103,015	9,885,492	1,038,247,700

Ring-fenced internal funds and reserves within accumulated surplus - 2011 Restated

	Capital replacement reserve	Capitalisation reserve	Government grant reserve	Donations and public contributions	Insurance reserve	Total
Opening balance	112,471,747	714,177,063	103,682,855	80,681,419	8,822,012	1,019,835,096
Depreciation	-	(4,292,752)	(4,064,537)	(4,310,959)	-	(12,668,248)
Transfer to capital replacement reserve	51,864,304	-	-	-	-	51,864,304
Property, plant and equipment purchases	(51,570,807)	-	28,634,718	8,006,105	-	(14,929,984)
Contribution to insurance reserve	-	-	-	-	1,063,480	1,063,480
Asset disposal	-	24,919,653	-	-	-	24,919,653
Impairment of assets	-	(8,541,794)	-	-	-	(8,541,794)
	112,765,244	623,067,742	128,257,387	84,352,247	9,885,492	958,328,112

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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19. Accumulated surplus (continued)

Total Accumulated Surplus

The **Capital Replacement Reserve** is a reserve to finance future capital expenditure and is fully invested in ring-fenced Financial Instrument Investments.

The **Capitalisation Reserve** equals the carrying value of the items of property, plant and equipment from the former legislated funds. The Capitalisation Reserve ensures consumer equity and is not backed by cash.

The **Donations and Public Contributions Reserve** equals the carrying value of the items of property, plant and equipment financed from public contributions and donations. The Donations and Public Contributions Reserve ensures consumer equity and is not backed by cash.

The **Government Grants Reserve** equals the carrying value of the items of property, plant and equipment financed from government grants. The Government Grants Reserve ensures consumer equity and is not backed by cash.

Refer to Statement of Changes in Net Assets for more detail and the movement on Accumulated Surplus.

The comparative figures were restated. Refer to the prior period error note 56.

20. Housing development fund

Opening Balance	2,473,721	8,673,735
Transfer to/from Housing Development Fund	3,448,942	(6,200,014)
	5,922,663	2,473,721

The Housing Development Fund is represented by the following

Assets and Liabilities:

Instalment Sales Debtors	2,492,677	2,133,081
Consumer Debtors	15,429,363	19,041,119
Provision for Bad Debts	(10,930,495)	(16,219,979)
Cash and Cash Equivalents	(1,068,882)	(2,480,499)
Total Housing Development Fund Assets and Liabilities	5,922,663	2,473,722

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
21. Revaluation reserve		
Opening balance	927,354,551	872,522,911
Change during the year	-	(37,953,360)
Increase in Revaluation of Land and Buildings	38,107,772	92,785,000
	965,462,323	927,354,551

Revaluation surplus relating to property, plant and equipment

Revaluation surplus beginning of period	927,354,551	872,522,911
Movements in the reserve for the year	-	(37,953,360)
Increase in revaluation of land and buildings	38,107,772	92,785,000
	965,462,323	927,354,551

The Revaluation Reserve arises on the revaluation of Land and Buildings. Where revalued Land or Buildings are sold, the portion of the Revaluation Reserve that relates to that asset, and is effectively realised, is transferred directly to the Accumulated Surplus.

Distributions from the Revaluation Reserve can be made where they are in accordance with the requirements of the Municipality's Accounting Policy and relevant case law. The payment of cash distributions out of the reserve is restricted by the terms of the Municipality's Accounting Policy. These restrictions do not apply to any amounts transferred to Accumulated Surplus. The Council does not currently intend to make any distribution from the Revaluation Reserve.

The comparative figures were restated. Refer to the prior period error note 56.

22. Property rates

Rates received

Residential	127,885,649	106,424,906
Commercial	74,936,135	88,170,156
Small holdings and farms	10,693,529	10,473,230
Less: Income forgone	(24,018,049)	(21,776,880)
	189,497,264	183,291,412
Property rates - penalties imposed and collection charges	2,918,845	2,794,773
	192,416,109	186,086,185

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions.

The last valuation came into effect on 1 July 2009. Two interim valuations were performed during the financial year and implemented accordingly.

An average general rate for 2012 of R 0.009541 (2011: R 0.009541) is applied to property valuations to determine assessment rates.

Rates are levied monthly on property owners and are payable the 7th of each month. Property owners can request that the full amount for the year be raised in July in which case the amount has to be paid by 30 September. Interest is levied as per council's Credit Control and Debt Collection Policy on outstanding rates amounts.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
23. Government grants and subsidies		
CDW Support	125,179	191,904
Equitable share	37,387,891	36,783,661
Financial Management Grant	1,236,697	1,013,303
Donated Assets	10,680,014	157,238
Grants - Capital Projects	56,640,776	36,483,585
Growth Management Strategy	-	41,749
LGWSETA Training	504,405	258,166
Library Services Support	901,169	953,899
Magazine Subsidy	486	1,906
Municipal Systems Improvement Grant	785,344	679,656
Other Grants & Subsidies Operating	558,218	278,181
Provincial Government PHP Top Structures	3,419,186	19,944,931
	112,239,365	96,788,179

Equitable share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent households. All registered indigents received a monthly subsidy of R182.81, which was funded from this grant. Bulk basic services are also provided free of charge to informal settlements to ensure that these communities have access to basic services.

Financial Management Grant

The Municipality received Financial Management Grants for the implementation of National Treasury's Local Government Financial Reform Project. The largest portion of these funds is used for the implementation of GRAP.

LGWSETA Training

According to the Skills Development Act and the Skills Development Levies Act, an organisation can claim back some of the levies paid to be used on training of its employees.

National and Provincial Government - Capital Projects

Both National and Provincial Government fund a large portion of the Municipality's annual capital expenditure. The funds received for these purposes are from the National Housing Board, Municipal Infrastructure Grant, Department of Mineral and Energy and Department of Transport.

See Appendix F for a reconciliation of grants received and expensed.

24. Investment revenue

Interest revenue

Bank	23,492,185	19,756,636
Interest Earned - Outstanding Debtors	4,035,042	3,828,548
	27,527,227	23,585,184

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
25. Other income		
Building Plan Fees	2 680 216	3 477 041
Contributions from Reserves and Operational Grants	1,258,142	845,532
Sundry	9,917,156	7,333,315
Applications Fees	446,055	327,008
Testing of Drivers	769,515	814,296
Other Revenue VAT	1,425,139	-
Building Clause	947,296	470,197
Recoverable Money	1,938,740	2,421,702
	19,382,259	15,689,091

The amounts disclosed above for Other Income are in respect of services, other than described in Notes 26 to 27, rendered which are billed to or paid for by the users as the services are reclaimed according to approved tariffs or offers received in terms of supply chain procedures, i.e. wood sales. Inter-departmental recoveries are received from other trading and economic services.

The comparative figures were restated. Refer to the prior period error note 56.

26. Rental of facilities and equipment

Premises

Rental Revenue from other facilities	9,380,382	8,764,597
Rental Revenue from Building	19,599	17,363
	9,399,981	8,781,960

Facilities and equipment

Rental Revenue from Land	2,306,121	2,102,677
Rental of equipment	-	398,047
	2,306,121	2,500,724
	11,706,102	11,282,684

27. Service charges

Sale of electricity	332,365,039	302,889,831
Sale of water	93,668,430	82,233,026
Sewerage and sanitation charges	49,313,541	42,709,377
Refuse removal	30,522,662	26,949,127
Other service charges	232,619	79,512
	506,102,291	454,860,873

The amounts disclosed above for revenue from Service Charges are in respect of services rendered which are billed to the consumers on a monthly basis according to approved tariffs.

28. Bulk purchases

Electricity	204,322,365	161,022,630
Water	12,211,579	12,648,356
	216,533,944	173,670,986

Bulk purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom whilst water is purchased from the City of Cape Town and Department of Water and Forestry.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
29. Depreciation and amortisation		
Property, plant and equipment	103,711,325	97,737,539
30. Debt impairment		
Electricity	1,310,259	299,343
Refuse	1,478,733	866,460
Sewerage	1,502,609	734,396
Water	6,054,025	3,546,496
Rates	966,449	813,257
Housing Rental	5,957,909	5,007,617
Sundries	2,127,240	48,508
	19,397,224	11,316,077
31. Employee related costs		
Basic	149,293,813	143,353,982
Pension Fund Contribution	25,066,564	24,868,711
Bonus	11,019,864	10,455,216
Medical aid - company contributions	11,173,811	10,134,809
UIF	1,306,362	1,270,781
Cashiers Allowances	5,755	7,477
Sundry Allowances	2,746,050	1,403,205
Cellphone Allowances	544,072	519,685
Severance Packages	76,499	1,670,298
Travel, motor car, accommodation, subsistence and other allowances	355,111	246,794
Overtime payments	9,440,415	8,402,764
Uniforms	451,939	397,115
Group Insurance	3,271,949	2,629,039
Car allowance	8,152,835	7,136,981
Housing benefits and allowances	1,398,389	1,355,812
Standby Allowances	4,010,094	1,974,775
Night Shift Allowance	1,508,659	962,178
Less: Employee costs included in other expenses	(3,422,830)	(1,747,323)
Bargaining Council	59,615	57,360
	226,458,966	215,099,659
Remuneration of Municipal Manager		
Annual Remuneration	834,019	1,096,786
Car Allowance	3,035	800
Contributions to UIF, Medical and Pension Funds	169,400	225,604
Leave	11,059	-
Telephone Allowances	12,000	-
	1,029,513	1,323,190
Acting Allowance paid to Acting Municipal Manager	502,819	-

The remuneration of the Municipal Manager for 2012 is for the period up to 29 February 2012.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
31. Employee related costs (continued)		
Remuneration of Chief Finance Officer		
Annual Remuneration	917.937	834.617
Car Allowance	91.737	90.000
Contributions to UIF, Medical and Pension Funds	185.747	172.977
Housing Allowance	-	18.000
Telephone Allowance	5,940	5,940
	1,201,361	1,121,534
Remuneration of Director Community Services		
Annual Remuneration		
Car Allowance	36.000	54.851
Contributions to UIF, Medical and Pension Funds	125.193	178.329
Leave	62,990	-
	730,831	959,251
Acting Allowances paid to Acting Director Community Services	85,206	-
The Director Community Service's contract expired on the 29th of February 2012.		
Remuneration of the Director Public Safety		
Annual Remuneration	561.395	522.367
Car Allowance	58.729	56.112
Contributions to UIF, Medical and Pension Funds	140.775	113.536
Telephone Allowances	9,000	9,000
	769,899	701,015
Remuneration of the Director Strategic and Corporate Services		
Annual Remuneration	691.223	481.099
Car Allowance	126.973	95.586
Contributions to UIF, Medical and Pension Funds	174.333	127.894
Telephone Allowances	9,000	7,025
	1,001,529	711,604
Remuneration of the Director Engineering Services		
Annual Remuneration	778.188	735.059
Car Allowance	49.418	48.000
Contributions to UIF, Medical and Pension Funds	159.346	151.379
Telephone Allowances	9,000	9,000
	995,952	943,438
Remuneration of the Director Planning and Development Services		
Annual Remuneration	987.639	930.754
Contributions to UIF, Medical and Pension Funds	11.421	10.945
Telephone Allowances	9,000	9,000
	1,008,060	950,699

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
32. General expenses		
3 G Fixed cost	51 439	72 944
Accounting fees external	3.536.911	2.928.114
Actuarial loss	2.037.842	371.422
Advertising	1.226.550	763.918
Agency Services	12.399.307	11.913.800
Ammunition	-	18.319
Assessment rates & municipal charges	39.670	29.600
Bank charges	3.146.211	3.075.657
Bus fares	246.269	318.108
Cellphone Cost	184.844	457.786
Claims: Global	3.885.592	3.089.286
Corporate Expenses	382.381	322.884
Electricity consumption expenses	3.238.319	3.094.124
Entertainment	117.096	183.781
Free Basic services	11.020.542	9.993.737
Fuel and oil	8.141.853	6.973.177
Furnishing of Buildings	57.838	58.425
Hosting of Events	348.418	370.623
Insurance	3.459.091	2.723.172
Interest Allocated	138.933	29.110
Internal Audit Fees	1.496.527	1.663.940
Internal Investigations	-	194.954
Investment Administration	1.205.317	992.184
Legal cost	10.125.268	9.719.538
Licenses Fees	2.375.931	1.298.908
Magazines, books and periodicals	1.329.384	1.307.157
Internal Consumption Expenses	18.046.269	14.517.921
Office Refreshments	478.448	461.059
Other expenses	15.854.522	35.492.886
Outdated Stock	-	2.127
Pauper Burials	33.920	22.400
Postage and courier	745.257	1.183.684
Printing and stationery	2.362.516	2.315.489
Property only	3.919.920	1.398.082
Protective clothing	1.490.644	1.290.725
Radio Operational cost	1.013.205	881.333
Recoverable Cost	1.121.858	1.418.848
Recruiting & Selecting	24.793	74.240
Registration fees	371.727	154.668
Security	3.384.861	2.878.841
Souvenirs	13.981	20.382
Staff wellness	1.379.005	1.141.370
Stores & Material	2.024.680	1.905.075
Sundry	49.774	59.157
Telephone Cost	3.998.805	3.821.219
Training	3.084.852	2.959.115
Transfer & Survey Cost	71.703	60.308
Ward Expenses	6.077.058	5.939.951
Workmans Compensation	1.609.750	1.952.439
Workshops, Functions & Capacity	519,408	337,821
General Expenses	137,868,489	137,115,395
Administration Costs	(1,398,936)	(1,186,185)
	136,469,553	141,067,623

The comparative figures were restated. Refer to the prior period error note 56.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
33. Remuneration of Councillors		
Executive Mayor	470,438	602,054
Councillors	11,654,951	9,079,120
	12,125,389	9,681,174
The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.		
Executive Mayor	470,438	602,054
Deputy Mayor	376,332	47,998
Speaker	327,887	486,258
Mayoral Committee	2,671,998	3,227,894
Councillors	4,306,999	3,282,131
Medical Aid Contributions	74,602	90,758
Pension fund contributions	319,935	372,189
Travelling Allowances	2,888,506	1,258,876
Telephone Allowances	582,608	313,016
UIF and SDL	106,084	-
	12,125,389	9,681,174
34. Cash generated from operations		
Surplus Adjustments for:	89,352,343	70,275,299
Depreciation and amortisation	102,744,225	87,727,520
Loss on sale of assets and liabilities	(194,464)	(262,300)
Inventories: (Write-down) / reversal of write-down	1,230	121,481
Fair value adjustments	(5,450,107)	(4,795,074)
Impairment deficit	-	7,970,286
Debt impairment	19,397,224	11,316,077
Movements in operating lease assets and accruals	(91,803)	136,932
Movements in retirement benefit assets and liabilities	16,548,195	28,312,115
Movements in provisions	4,659,107	5,926,061
Other non-cash items	(571,592)	(9,288,930)
Changes in working capital:	(1,084)	(1,082,172)
Receivables from exchange transactions	(340,303)	(7,287,049)
Consumer debtors	(21,976,335)	(28,747,320)
Payables from exchange transactions	1,284,078	11,891,025
VAT	(895,009)	4,407,962
Unspent conditional grants and receipts	(15,918,237)	(1,825,915)
Consumer deposits	340,206	1,163,110
	189,853,877	185,067,826

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011																																																																																																																																												
<p>35. Financial assets by category</p> <p>In accordance with IAS 39.09 the Financial Assets of the municipality are classified as follows:</p> <p>2012</p> <table> <tr> <th></th> <th>Loans and receivables</th> <th>Held to maturity investments</th> <th>Available-for- sale</th> <th>Total</th> </tr> <tr> <td>Long-term Receivables</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sale of Erven</td> <td>1,362</td> <td>-</td> <td>-</td> <td>1,362</td> </tr> <tr> <td>Officials: Erven loans</td> <td>32,214</td> <td>-</td> <td>-</td> <td>32,214</td> </tr> <tr> <td>Farmers: Water scheme</td> <td>327,322</td> <td>-</td> <td>-</td> <td>327,322</td> </tr> <tr> <td>Housing Selling Scheme Loans</td> <td>1,861,149</td> <td>-</td> <td>-</td> <td>1,861,149</td> </tr> <tr> <td>Consumer Debtors</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Assessment Rates</td> <td>27,504,559</td> <td>-</td> <td>-</td> <td>27,504,559</td> </tr> <tr> <td>Electricity</td> <td>11,790,059</td> <td>-</td> <td>-</td> <td>11,790,059</td> </tr> <tr> <td>Water</td> <td>24,154,452</td> <td>-</td> <td>-</td> <td>24,154,452</td> </tr> <tr> <td>Sewerage</td> <td>7,666,648</td> <td>-</td> <td>-</td> <td>7,666,648</td> </tr> <tr> <td>Refuse</td> <td>8,963,130</td> <td>-</td> <td>-</td> <td>8,963,130</td> </tr> <tr> <td>Housing rental</td> <td>3,448,673</td> <td>-</td> <td>-</td> <td>3,448,673</td> </tr> <tr> <td>Sundry</td> <td>5,050,325</td> <td>-</td> <td>-</td> <td>5,050,325</td> </tr> <tr> <td>Other Debtors</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sundry</td> <td>489,460</td> <td>-</td> <td>-</td> <td>489,460</td> </tr> <tr> <td>Insurance Debt</td> <td>17,468,015</td> <td>-</td> <td>-</td> <td>17,468,015</td> </tr> <tr> <td>Other Debtors</td> <td>286,126</td> <td>-</td> <td>-</td> <td>286,126</td> </tr> <tr> <td>Capital Debtors</td> <td>5,445,866</td> <td>-</td> <td>-</td> <td>5,445,866</td> </tr> <tr> <td>Bank,Cash and Cash Equivalents</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>ShortTerm Deposits</td> <td>-</td> <td>337,949,817</td> <td>-</td> <td>337,949,817</td> </tr> <tr> <td>Bank balances and cash</td> <td>-</td> <td>-</td> <td>36,198,548</td> <td>36,198,548</td> </tr> <tr> <td>Current Portion of Long-term Receivables</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Sale of Erven</td> <td>5,447</td> <td>-</td> <td>-</td> <td>5,447</td> </tr> <tr> <td>Officials: Erven loans</td> <td>25,225</td> <td>-</td> <td>-</td> <td>25,225</td> </tr> <tr> <td>Farmers: Water Scheme</td> <td>12,872</td> <td>-</td> <td>-</td> <td>12,872</td> </tr> <tr> <td>Housing Selling Scheme</td> <td>126,038</td> <td>-</td> <td>-</td> <td>126,038</td> </tr> <tr> <td></td> <td>114,658,942</td> <td>337,949,817</td> <td>36,198,548</td> <td>488,807,307</td> </tr> </table>				Loans and receivables	Held to maturity investments	Available-for- sale	Total	Long-term Receivables	-	-	-	-	Sale of Erven	1,362	-	-	1,362	Officials: Erven loans	32,214	-	-	32,214	Farmers: Water scheme	327,322	-	-	327,322	Housing Selling Scheme Loans	1,861,149	-	-	1,861,149	Consumer Debtors	-	-	-	-	Assessment Rates	27,504,559	-	-	27,504,559	Electricity	11,790,059	-	-	11,790,059	Water	24,154,452	-	-	24,154,452	Sewerage	7,666,648	-	-	7,666,648	Refuse	8,963,130	-	-	8,963,130	Housing rental	3,448,673	-	-	3,448,673	Sundry	5,050,325	-	-	5,050,325	Other Debtors	-	-	-	-	Sundry	489,460	-	-	489,460	Insurance Debt	17,468,015	-	-	17,468,015	Other Debtors	286,126	-	-	286,126	Capital Debtors	5,445,866	-	-	5,445,866	Bank,Cash and Cash Equivalents	-	-	-	-	ShortTerm Deposits	-	337,949,817	-	337,949,817	Bank balances and cash	-	-	36,198,548	36,198,548	Current Portion of Long-term Receivables	-	-	-	-	Sale of Erven	5,447	-	-	5,447	Officials: Erven loans	25,225	-	-	25,225	Farmers: Water Scheme	12,872	-	-	12,872	Housing Selling Scheme	126,038	-	-	126,038		114,658,942	337,949,817	36,198,548	488,807,307
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Capital Debtors	5,445,866	-	-	5,445,866																																																																																																																																										
Bank,Cash and Cash Equivalents	-	-	-	-																																																																																																																																										
ShortTerm Deposits	-	337,949,817	-	337,949,817																																																																																																																																										
Bank balances and cash	-	-	36,198,548	36,198,548																																																																																																																																										
Current Portion of Long-term Receivables	-	-	-	-																																																																																																																																										
Sale of Erven	5,447	-	-	5,447																																																																																																																																										
Officials: Erven loans	25,225	-	-	25,225																																																																																																																																										
Farmers: Water Scheme	12,872	-	-	12,872																																																																																																																																										
Housing Selling Scheme	126,038	-	-	126,038																																																																																																																																										
	114,658,942	337,949,817	36,198,548	488,807,307																																																																																																																																										

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
35. Financial assets by category (continued)		
2011		
	Loans and receivables	Held to maturity investments
Loan-term Receivables	-	-
Sale of Erven	6,809	-
Farmers: Water Scheme	340,104	-
Officials: Erven Loans	57,439	-
Housing Selling Scheme Loans	1,987,187	-
Consumer Debtors	-	-
Assessment Rates	25,053,166	-
Electricity	12,210,424	-
Refuse	7,505,780	-
Sewerage	6,994,274	-
Water	20,744,529	-
Housing	7,005,662	-
Sundry	6,484,900	-
Other Debtors	-	-
Sundry	623,804	-
Closing of financial year	335,120	-
Other Debtors	18,517,568	-
Capital Debtors	3,872,672	-
Bank, Cash and Cash Equivalents	-	-
Call Deposits	-	301,226,693
Bank balances and cash	-	23,801,840
Current Portion of Long-term Receivables	-	-
Sale of Erven	35,466	-
Farmers: Water Scheme	11,311	-
Officials: Erven Loans	5,995	-
Housing Selling Scheme Loans	145,895	-
	111,938,105	301,226,693
	23,801,840	436,966,638

Stellenbosch Municipality

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	2012	Restated 2011
36. Financial liabilities by category		
In accordance with IAS 39.09 the Financial Liabilities of the municipality are classified as follows:		
2012		
	Financial liabilities at amortised cost	Total
Long-term Liabilities		
Loans from DBSA	78,889,967	78,889,967
Consumer Deposits Electricity and Water	9,310,946	9,310,946
Housing	403,979	387,675
Creditors		
Trade Creditors	598,330	598,330
Payments received in advance	5,800,275	5,800,275
Sundry Deposits	501,055	501,055
Other Creditors	21,286,315	21,286,315
Leave Gratuity	12,821,722	12,821,722
Retentions	8,996,690	8,996,690
Salary Control	5,280,287	5,280,287
Bonus Accrual	7,118,256	6,539,721
Unspent Conditional Grants and Receipts		
National Government Grants	1,849,586	1,849,586
Provincial Government Grants	10,787,881	10,787,881
Other Sources	657,134	657,134
Developers Contributions	24,137,808	24,137,808
Operating Lease Liabilities		
Operating Lease Liabilities/ Payable	53,847	53,847
Current Portion of Long-term Liabilities		
Loans from DBSA	3,968,773	3,968,773
	192,462,851	191,868,012

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
36. Financial liabilities by category (continued)		
2011 - Restated		
	Financial liabilities at amortised cost	Total
Long-term Liabilities		
Loans from DBSA	37,758,913	37,758,913
Consumer Deposits Electricity and Water	8,987,045	8,987,045
Housing	387,674	387,674
Creditors		
Trade Creditors	3,804,108	3,804,108
Payments received in advance	9,371,589	9,371,589
Sundry Deposits	632,394	632,394
Other Creditors	19,145,256	19,145,256
Leave Gratuity	12,376,350	12,376,350
Retentions	9,981,871	9,981,871
Salary Control	3,878,785	3,878,785
Bonus Accrual	6,498,221	6,498,221
Unspent Conditional Grants and Receipts		
National Government Grants	8,226,881	8,226,881
Provincial Government Grants	21,833,059	21,833,059
Other Sources	2,523,378	2,523,378
Developers Contributions	21,669,414	21,669,414
Operating Lease Liabilities / Payable	145,649	145,649
Current Portion of Long-term Liabilities		
Loans from DBSA	3,782,995	3,782,995
	171,003,582	171,003,582

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

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	2012	Restated 2011
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37. Risk management

Capital risk management

The municipality manages its capital to ensure that the municipality will be able to continue as a going concern while delivering sustainable services to consumers through the optimisation of the debt and equity balance. The municipality's overall strategy remains unchanged from 2008.

The capital structure of the municipality consists of debt, which includes the Long-term Liabilities disclosed in Note 15, Bank, Cash and Cash Equivalents and Equity in Note 2, comprising Funds, Reserves and Accumulated Surplus as disclosed in the Statement of Changes in Net Assets.

Financial risk management objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities. Financial Instruments play a much more limited role in creating or changing risks that would be typical of listed companies to which the IAS's mainly apply. Generally, Financial Assets and Liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the municipality in undertaking its activities.

The Directorate: Financial Services monitors and manages the financial risks relating to the operations through internal policies and procedures. These risks include interest rate risk, credit risk and liquidity risk. Compliance with policies and procedures is reviewed by the internal auditors on a continuous basis, and annually by external auditors. The municipality does not enter into or trade financial instruments for speculative purposes.

Internal audit, responsible for initiating a control framework and monitoring and responding to potential risk, reports periodically to the municipality's audit committee, an independent body that monitors the effectiveness of the internal audit function.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Council, which has built an appropriate liquidity risk management framework for the management of the municipality's short, medium and long-term funding and liquidity management requirements. The municipality manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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	2012	Restated 2011
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37. Risk management (continued)

Interest rate risk management

Interest Rate Risk is defined as the risk that the fair value or future cash flows associated with a financial instrument will fluctuate in amount as a result of market interest changes.

Potential concentrations of interest rate risk consist mainly of variable rate deposit investments, long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its money market investment operations by only dealing with well-established financial institutions of high credit standing. No investment with a tenure exceeding twelve months shall be made without consultation with the councillor responsible for financial matters.

Consumer debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality is not exposed to interest rate risk as the municipality borrows funds at fixed interest rates.

The municipality's exposures to interest rates on Financial Assets and Financial Liabilities are detailed in the Credit Risk Management section of this note.

Interest Rate Sensitivity Analysis

The municipality had no variable rate long-term financial instruments at year-end requiring an Interest Rate Sensitivity Analysis.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
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37. Risk management (continued)

Credit risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the municipality. The municipality has a sound credit control and debt collection policy and obtains sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The municipality uses other publicly available financial information and its own trading records to assess its major customers. The municipality's exposure of its counterparties are monitored regularly.

Potential concentrations of credit rate risk consist mainly of long-term receivables, consumer debtors, other debtors, bank and cash balances.

The municipality limits its counterparty exposures from its investment operations (financial assets that are neither past due nor impaired) by only dealing with well-established financial institutions of high credit standing. The credit exposure to any single counterparty is managed by setting transaction / exposure limits, which are included in the municipality's Investment Policy. These limits are reviewed annually by the Chief Financial Officer and authorised by the Council.

Consumer Debtors comprise of a large number of ratepayers, dispersed across different industries and geographical areas within the jurisdiction of the municipality. Ongoing credit evaluations are performed on the financial condition of these debtors. Consumer debtors are presented net of a provision for impairment.

In the case of debtors whose accounts become in arrears, it is endeavoured to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

Long-term Receivables and Other Debtors are individually evaluated annually at reporting date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

The municipality does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics, except for Sasol who has large investments in the municipal area and does not pose any risk. The municipality defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

The maximum credit and interest risk exposure in respect of the relevant financial instruments is as follows:

Consumer Debtors	87,687,899	87,957,276
Other Debtors	23,758,799	43,852,234
Bank, Cash and Cash Equivalents	455,323,015	313,423,120
	566,769,713	445,232,630

Foreign currency risk management

The municipality's activities do not expose it to the financial risks of foreign currency and therefore has no formal policy to hedge volatilities in the interest rate market.

The municipality reviews its foreign currency exposure, including commitments on an ongoing basis. The municipality expects its foreign exchange contracts to hedge foreign exchange exposure.

Other price risks

The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
38. VAT payable		
Tax refunds payables	2,958,255	3,853,264
The comparative figures were restated. Refer to the prior period error note 56.		
39. Public contributions and donations		
Developers Contribution - Sewerage	2.152.086	2.542.472
Developers Contribution - Roads	2.214.460	2.950.161
Developers Contribution - Electricity	7.538.400	4.768.841
Developers Contribution - Water	3.686.740	3.737.470
Developers Contribution - Open Areas	165.928	165.928
Developers Contribution - Parking	1.440.348	1.440.348
Developers Contribution - General	117.753	117.753
Developers Contribution - La Clemence	2.402.851	2.297.588
Franschhoek Low Cost Housing	301.300	301.300
Fransdevon Development	3.347.553	3.347.553
Developers Contribution- Refuse	174.857	-
Developers Contribution - Stormwater	595,532	-
	24,137,808	21,669,414
Reconciliation of conditional public contributions and donations		
Balance unspent at beginning of year	21,669,414	17,743,186
Current year receipts	8.502.783	9.518.724
Conditions met - transferred to revenue: Capital Expenses	(5,109,124)	(5,305,334)
Other transfers	-	(287,162)
Conditions still to be met - transferred to Liabilities	25,063,073	21,669,414
40. Contribution to/from provision		
Contribution to/from provisions	23,448,809	34,669,305
The comparative figures were restated. Refer to the prior period error note 56.		
41. Fair value adjustments		
Investment property (Fair value model)	5.455.075	713.500
Biological assets - (Fair value model)	(4,968)	4,081,574
	5,450,107	4,795,074
42. Finance costs		
Current borrowings	6,344,344	3,752,321
43. Contracted services		
Operating Leases: Buildings and Equipment	7,842,408	8,182,022

The comparative figures were restated. Refer to the prior period error note 56.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
44. Grants and subsidies paid		
Other subsidies		
Marketing	246,643	185,532
Festivals	53,480	379,450
	300,123	564,982
45. Commitments		
Authorised capital expenditure		
Approved and Contracted for:		
• Infrastructure	41,437,557	19,649,585
• Community	6,118,675	-
• Other financial assets	150,890	-
	47,707,122	19,649,585
Approved but Not Yet Contracted for:		
• Infrastructure	62,416,829	122,252,588
• Community	6,356,325	39,551,067
• Other financial assets	72,563,415	17,612,800
•	141,336,570	179,416,455
	189,043,691	199,066,040
The committed expenditure for the financial years over the medium term amounts to R 51 498 442.64.		
This expenditure will be financed from:		
External Loans	23,777,248	47,047,780
Capital Replacement Reserve	82,074,000	94,470,400
Government Grants	70,234,223	49,955,167
Public Contributions	12,958,220	7,592,693
	189,043,691	199,066,040

46. Contingencies

Blue Stars Netbalklub made an application to the High Court for a declaratory order; that the Special Meeting of the Klapmuts Sport Forum held on 27 May 2009 at Lanner's Lading, Klapmuts was properly held and that the new management of the Klapmuts Sport Forum was properly elected. The amount of R350 000 represents legal costs and disbursements.

Shelfline 104 Pty (Ltd) submitted an application against the municipality disputing the tariff applicable on developers liable for payment of bulk infrastructure contribution levies. An appeal was lodged with the Supreme Court of Appeals. The amount of R446 000 represents legal costs and disbursements.

This matter involves a counter application on behalf of the municipality to be joined as co-applicant together with eThekweni Municipality in an application for the review and setting aside of the Amended Municipal Property Rates Regulations promulgated on 12 March 2010. This matter does not involve any amounts claimed but a cost of R250 000 represents legal costs and disbursements.

This is an application for an interdictory and declaratory relief against the Municipality and the Cape Winelands District Municipality for alleged non-compliance with statutory and constitutional obligations in respect of its duty to progressively realise the rights of access to adequate housing in particular to persons that are evicted and left without any alternative accommodation. The amount of R250 000 represents legal costs and disbursements.

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

Notes to the Annual Financial Statements

Figures in Rand

	2012	Restated 2011
46. Contingencies (continued)		
<p>A neighbouring farm alleged pollution and other forms of degradation as a result of activities at the squatter camp. They requested the court to issue an order directing the municipality to clean up and add additional facilities like toilets. The amount of R200 000 represents legal costs and disbursements.</p>		
<p>Mrs Baadjies obtained an Ex Parte Court Order ordering the Municipality to immediately re-erect her wendy house at the graveyard, Jamestown. The Municipality is in the process of obtaining an eviction order against Mrs Baadjies and the other illegal occupiers. The amount of R100 000 represents legal costs and disbursements.</p>		
<p>Members of the public are occupying staff quarters and public rental units illegally and refuse to vacate same notwithstanding notices to that effect. In light of the aforesaid the Municipality is not generating any rental income from the units and is not in a position to provide staff accommodation to current and new staff of the Municipality. The Municipality cannot tolerate the current position and instituted eviction proceedings against the illegal occupiers. A cost of R100 000 represents legal costs and disbursements.</p>		
<p>Application interdicting and restraining Ms Van Wyk from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>Application interdicting and restraining the Terra Nova Trust from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>J.M & L.E Adams is opposing the application that the decision iro the rezoning and consent use applications and their subsequent appeal thereof be cancelled, reviewed and set aside and that Reg 22 of the Regulations promulgated its LUPO be declared unconstitutional, invalid and unenforceable. Estimated cost of financial exposure is R150 000.</p>		
<p>Application interdicting and restraining the TFD Trust and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>Application interdicting and restraining the Van Breda Trust and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>Application interdicting and restraining the Award 4 Trading PTY LTD and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>Application interdicting and restraining the D. & T Irvine and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>Dennis Moss & Partners: The municipality received a claim of which the potential liability could not be determined at the reporting date. Estimated cost of financial exposure is R1.4m.</p>		
<p>Application interdicting and restraining J. Smit and Stellenbosch Rugby Academy from accommodating additional persons or operating an accommodation establishment, more specifically student accommodation, in contravention of the Stellenbosch Zoning Scheme Regulations on residential property. Estimated cost of financial exposure is R150 000.</p>		
<p>Application interdicting and restraining Adams' from conducting the business of an off-consumption liquor store on residential property. Opposing application that the decisions taken iro the rezoning application is cancelled, reviewed and set aside. Estimated cost of financial exposure is R300 000.</p>		

Stellenbosch Municipality

Annual Financial Statements for the year ended 30 June 2012

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46. Contingencies (continued)

Demolition of two cold rooms erected without the necessary permission and pre-approved plans. Estimated cost of financial exposure is R40 000

Application to interdict and restrain the Sweetwell Trust from operating a restaurant while conducting agricultural activities in contravention of the condition of approval to utilise the property for a restaurant, farm shop and butchery. Estimated cost of financial exposure is R150 000

Application to interdict and restrain Banisi Investment (Pty) Ltd from utilising Farm 1037 Stellenbosch or a portion thereof for illegal dumping of glass and used building material as well as for industrial purposes in contravention of the applicable Zoning Scheme Regulations. Estimated cost of financial exposure is R150 000

Application to demolish part of the illegal building erected over the municipal sewer pipeline and make good the land she built on. Estimated cost of financial exposure is R150 000

Application to interdict and restrain the owner from utilising the property as a function venue in contravention of the relevant Zoning Scheme Regulations. Estimated cost of financial exposure is R150 000.

The La Motte Village Extension was constructed by Trans Caledon Tunnel Authority ("TCTA") to accommodate contractors, employees and staff who was involved in construction of the Berg Water Project ("BWP"). After construction of the BWP, the 80 houses utilised by the contractors, employees and staff during construction of the BWP, were handed over by TCTA to the Municipality, to provide housing to communities within the project area of the BWP. In 2008 TCTA and the Municipality entered into a transfer agreement which provided inter alia for the disposal of the 80 houses. We have requested an attorney firm to provide us with an opinion regarding the decisions taken by the Directorate: Integrated Human Settlements, to allocate houses to buyers in La Motte Village Extension, Franschhoek. Litigations and claims amount to R200 000.

Paradyskloof Golf Estate (Pty) Ltd, claims for services rendered pursuant to an alleged mandate given. The estimation amounts to R 19 million.

SALA Pension Fund is taking all local authorities, who are not paying the increased contribution as claimed by them to court. Municipalities to pay the difference between current contribution rate and increased contribution rate. The estimation amounts to R516 720.27 plus interest and cost. An additional cost of R150 000 represents legal costs and disbursements.

Stellenbosch Municipality

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47. Related parties

Loans granted to Related Parties

In terms of the MFMA, the municipality may not grant loans to its Councillors, Management, Staff and Public with effect from 1 July 2004. Loans, together with the conditions thereof, granted prior to this date are disclosed in a note to the Annual Financial Statements.

Compensation of Related Parties

Compensation of Key Management Personnel and Councillors is set out in Notes 31 and 33 respectively, to the Annual Financial Statements.

Awards to close family members of persons in the service of the state:

Vela VKE Consulting Engineers

The appointment of consulting engineers for professional services for various projects, to the value of R840,731.38. The appointment was done per Deviation (D/SM 57/12).

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms. Pinky Phosa	MEC for Finance: Mpumalanga

Aurecon South Africa (Pty) Ltd

The Appointment of consulting engineers for professional civil engineering services for various projects, to the value of R 2,505,410.63. The appointment was done per tender (B/SM 365/11) and Deviation (D/SM 6/12).

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms Theron	PG Gauteng: Department of Education; Educator
K Nadasen	National Department of Public Works: Key Account Manager
AF Keyser	Hessequa Local Municipality: Caravan Park Manager
T Keyser	Hessequa Local Municipality: Secretary
MJ Fullard	PG North West: Department of Education: Educator
A Nel	National Department of Health, Senior Administration Officer
JM Robertson	Ekurhuleni Municipality; Engineer
Dr JC Lombard	PG Gauteng: Department of Education; Deputy Head
E Van der Linde	PG Free State: Department of Education: Educator
M De Vries	University of Pretoria, Educator
J Scheepers	Council of medical Schemes
U Van Wijk	SITA
K West	PG Western Cape: Department of Health
EM Schon	Department of Cooperative Governance, Senior Admin Officer
SM O'Connell	Sol Plaatje Municipality; Librarian
JJ Tselane	PG North West, Department of Public Works, Roads and Transport
AP Louw	Gauteng Dept of Health, Pharmacist Intern

Ithuba Industries

The supply and delivery of goods and material under annual tenders (water services department), to the value of R381,144.52. The appointment was done per tender (B/SM 307/10).

<u>Spouses, Child or Parent</u>	<u>State Department</u>
Ms. De Morney	Western Cape Department of Education

Stellenbosch Municipality

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47. Related parties (continued)

ARB Electrical Wholesalers (Pty) Ltd

The supply and delivery of goods and material under the annual tender: electrical, to the value of R78,424.59.
The appointment was done per tender (B/SM 335/11)

Spouses, Child or Parent
Jacob Modise

State Department
ESKOM Holdings: Non Executive Director and Road Accident Fund
(RAF): CEO

Kaizen Chemicals

The supply and delivery of goods (white hydrated lime and calcium hypochlorite granular), to the value of R99,275.76.
The appointment was done per formal quotation (FQ 181/11)

Spouses, Child or Parent
E R Bowers

State Department
Stikland Hospital: Social Worker

Chesmar Trading

Rendering of services (Removal of debris in Kayamandi, Maintenance of grass, etc.), to the value of R63,034.95.
The appointment was done per deviation (D/SM 01/12)

Spouses, Child or Parent
Ms. Piedt

State Department
Western Cape Department of Health.

Mark Berry Environmental Consultants

Independent Environmental control officer Klapmuts Housing Projects, to the value of R34,400.
Appointment per formal quotation (FQ 172/12)

Spouses, Child or Parent
Ms. Berry

State Department
National Prosecuting Authority.

Clints Chaffeur Drive

Transport Services, to the value of R47,440. Appointment per formal quotation (FQ222/12).

Spouses, Child or Parent
Ms. V Swartz

State Department
Stellenbosch Municipality: LED Official

Siphakame Skills Development

Provision of Training in accordance with BSM 346/11, to the value R155,840.

Spouses, Child or Parent
Mr. H Theart
Mr. Vacu

State Department
Stellenbosch Municipality
Drakenstein Municipality

Idasvalley Services Centre CC

Rendering of services to the total amount of R40 617.55

Spouses, Child or Parent
Jene Mechalle Bergstedt

State Department
Stellenbosch Municipality _HR Officer: Human Resources

Stellenbosch Municipality

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47. Related parties (continued)

Angra Tours

Rendering of services to the total amount of R26 950.00.

Spouses, Child or Parent

Zelda Louise Cloete

State Department

Stellenbosch Municipality _Clerk : Enquiry and Client liason

ELTB Construction

Rendering of services to the total amount of R 48 378.60

Spouses, Child or Parent

Lorelle Yvette Adams

State Department

Stellenbosch Municipality_Support Assistant : Property Management

Surevac Logistics

Rendering of services to the total mount of R61 378.00.

Spouses, Child or Parent

Harold Richard Davids

State Department

Stellenbosch Municipality_Technician Development - Services and
Project Management

Stellenbosch Municipality

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	2012	Restated 2011
48. Events after the reporting date		
No events having financial implications requiring disclosure occurred subsequent to 30 June 2012.		
49. Unauthorised expenditure		
There were no incidents of unauthorised expenditure for the year under review.		
50. Fruitless and wasteful expenditure		
There were no material fruitless and wasteful expenditure for the year under review.		
51. Irregular expenditure		
There were no material irregular expenditure for the year under review.		
52. Reconciliation between budget and statement of financial performance		
Reconciliation of budget surplus/deficit with the surplus/deficit in the statement of financial performance:		
Net surplus per the statement of financial performance	89,352,343	70,275,299
Adjusted for:		
Fair value adjustments	(4,285,107)	(4,795,074)
Impairments recognised / reversed	9,828,476	7,970,285
Gain on the sale of assets	-	3,317
Increases / decreases in provisions	(1,027,008)	9,201,437
Revenue Adjustment	(27,293,184)	(48,869,580)
Expenditure Adjustment	(53,328,556)	(31,166,445)
Inventories write down	(6,070)	114,181
Government Grants and Subsidies - Capital	-	(36,640,823)
Gain (Loss) on biological assets and agricultural produce	(194,464)	(265,617)
Net surplus (deficit) per approved budget	13,046,430	(34,173,020)
53. Additional disclosure in terms of Municipal Finance Management Act		
Contributions to organised local government - SALGA		
Council subscriptions	1,183,832	1,116,185
Amount paid - current year	(1,183,832)	(1,116,185)
Balance Unpaid (included in Creditors)	-	-
Audit fees		
Opening balance	1,655	13,299
Current year Audit Fee	3,994,968	3,305,507
Amount paid - current year	(3,994,968)	(3,303,852)
Amount paid - previous years	(1,655)	(13,299)
Balance Unpaid (included in Creditors)	-	1,655
PAYE and UIF		
Opening balance	(2,624,641)	(1,973,848)
Current year Payroll Deductions	(32,208,214)	(30,830,916)
Amount paid - current year	29,724,815	28,206,275
Amount paid - previous years	2,624,641	1,973,848
Balance Unpaid (included in Creditors)	(2,483,399)	(2,624,641)

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Additional disclosure in terms of Municipal Finance Management Act (continued)		
Pension and Medical Aid Deductions		
Current year Payroll Deductions and Council Contributions	(64.542.549)	(60.856.556)
Amount paid - current year	64,542,549	60,856,556
Balance Unpaid (included in Creditors)	-	-

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2012:

30 June 2012	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Frazenburg AR	891	37	928
Davids JA	2,569	-	2,569
Mdemka LX	56	-	56
Ngcofe MM	359	608	967
	3,875	645	4,520

Deviation from, and ratification of, minor breaches of the Procurement Processes

In terms of section 36(2) of the Municipal Supply Chain Management Regulations any deviation approved in terms of subregulation (1)(a) and (b) must be included in a note to the AFS. Please consult note 58 for the detail.

Severance Package

The severance packages amount consists of the following transactions :

Three former contract employees of the municipality instituted legal proceedings of unfair termination. The Municipality paid an amount of R76 499 as full and final settlement.

Distribution Losses

In terms of section 125(2)(d)(i) of the Municipal Finance Management Act, the municipality experienced the following distribution losses for the year under review:

Distribution Losses	Electricity (KWH)	Water (KL)
Purchases	379,416,243	12,261,657
Sales	(343,124,402)	(10,609,599)
Distribution loss	36,291,841	1,652,058

54. Multi-employer retirement benefit information

All councillors belong to the Pension Fund for Municipal Councillors.

Employees belong to a variety of approved Pension and Provident Funds as described below.

These schemes are subject to either a tri-annual, bi-annual or annual actuarial valuation, details which are provided below.

Stellenbosch Municipality

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54. Multi-employer retirement benefit information (continued)

The Municipal Councillors Pension Fund and the South African Municipal Workers Union National Provident Fund are defined contribution plans, whereas the other funds are defined benefit plans. All of these afore-mentioned funds are multi-employer plans. Sufficient information is not available to use defined benefit accounting for the pension and retirement funds, due to the following reasons:-

(i) The assets of each fund are held in one portfolio and are not notionally allocated to each of the participating employers.

(ii) One set of financial statements are compiled for each fund and financial statements are not drafted for each participating employer

(iii) The same rate of contribution applies to all participating employers and no regard is paid to differences in the membership distribution of the participating employers.

It is therefore seen that each fund operates as a single entity and is not divided into sub-funds for each participating employer.

The only obligation of the municipality with respect to the retirement benefit plans is to make the specified contributions. Where councillors / employees leave the plans prior to full vesting of the contributions, the contributions payable by the municipality are reduced by the amount of forfeited contributions.

The total expense recognised in the Statement of Financial Performance of R19,7 million (2009: R19,7 million) represents contributions payable to these plans by the municipality at rates specified in the rules of the plans. These contributions have been expensed.

The Retirement Funds have been valued by making use of the Discounted Cash Flow method of valuation.

DEFINED BENEFIT SCHEMES

SALA Pension Fund

The funding level has increased from 106% in 2006 to 110,0% on 1 July 2007. The Solvency Reserve has been calculated at R1 589.3 million for active members and R346.1 million in respect of pensioners. It should be noted that the previous valuation was done by Old Mutual Actuaries and Consultants whereas the latest valuation was done by Genesis Actuarial Solutions. There were restatements of certain published figures but the conclusion was drawn that the fund is financially sound at the valuation date.

Cape Joint Pension Fund

The Cape Joint Pension Fund is a multi employer plan and the contribution rate payable is 27%, 9% by the members and 18% by Council. The valuation disclosed an actuarial surplus of R182 million and was funded at 106,5%.The fund was certified as being in a sound financial condition as at 30 June 2008 by an actuary.

Stellenbosch Municipality

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54. Multi-employer retirement benefit information (continued)

DEFINED CONTRIBUTION SCHEMES

Cape Joint Pension Fund

This scheme was established to accommodate the unique characteristics of contract employees and "cost to company" employees. All existing members were given the option to transfer to the defined contribution plan before 1 July 2003. The actuary report certified that the structure of the assets is appropriate relative to the nature of the liabilities, assuming a smoothed bonus philosophy, and given normal circumstances.

The fund was certified as being in a sound financial condition as at 30 June 2008 by the actuary. The valuation disclosed a funding level of 103.3%

Cape Joint Retirement Fund

The contribution rate paid by the members (9,0%) and Council (18,0%) is sufficient to fund the benefits accruing from the fund in future. The valuation disclosed an actuarial surplus of R 42,9 million for the Pensioners Account and was funded at 112,2%, while the Share Account has an investment reserve of R68,5 million and was funded at 101,1%. The actuary is satisfied the fund in a sound financial position as at 30 June 2008.

Municipal Councillors Pension Fund:

The Municipal Councillors Pension Fund operates as a defined contribution scheme. The contribution rate paid by the members (13,75%) and Council (15,00%) is sufficient to fund the benefits accruing from the fund in the future. The actuarial valuation of the fund was undertaken at 30 June 2006 and reported a funding ratio of 147.3%.

No further details could be provided for after the last valuation, being 30 June 2006.

South African Municipal Workers Union National Provident Fund:

The last actuarial valuation of the fund was performed at 30 June 2005 and certified as being in a financially sound position. The next statutory valuation was due on 30 June 2008, but still in process.

55. Non Current Assets Held for Sale

Erven 3385, portion of erf 35 Franschhoek was approved for sale by council. Property is held at fair value. Sale is expected to be concluded in the next 12 months.

Stellenbosch Municipality

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56. Prior period errors

The correction of the errors results in adjustments as follows:

	Prior Period Error		
	30_06_2011 Audited	Amount Correction of	30_06_2011 Restated
Assets			
Current Assets			
Inventories			
Current Portion of Long Term Receivables	153,400	-	153,400
Trade and other receivables from exchange transactions	11,463,892	11,885,272	23,349,164
VAT receivable	-	-	-
Consumer debtors	98,367,941	(12,369,206)	85,998,735
Cash and cash Equivalents	325,028,533	-	325,028,533
	440,166,915	(478,359)	439,688,556
Non-Current Assets			
Biological assets	15,787,529	-	15,787,529
Investment Property	523,325,000	-	523,325,000
Property, plant and equipment	2,649,707,978	184,414,174	2,834,122,152
Intangible assets	192,417	-	192,417
Long term receivables	804,977	-	804,978
Other financial assets	-	-	-
Reimbursed asset	-	-	-
	3,189,817,901	184,414,174	3,374,232,076
Non-current assets held for sale and assets of disposal groups	65,000	-	65,000
Total Assets	3,630,049,816	183,935,815	3,813,985,632
Liabilities			
Current Liabilities			
Other financial liabilities	3 782 995	-	3 782 995
Operating lease liability	145,649	-	145,649
Trade and other payables from exchange transactions	95,616,516	2,120,198	97,736,714
Vat payable	307,295	3,545,969	3,853,264
Consumer deposits	9,374,720	-	9,374,719
Employee benefit obligations	4,483,008	1,049,390	5,532,398
Finance lease obligation	-	-	-
Unspent conditional grants and receipts	57,096,341	(462,678)	56,633,663
Provisions	6,985,482	(1,616,079)	5,369,403
	177,792,006	4,636,800	182,428,805
Non-Current Liabilities			
Other financial liabilities	37,758,914	-	37,758,913
Employee benefit obligations	131,602,659	16,419,054	148,021,713
Provisions	49,930,677	(16,419,054)	33,511,623
	219,292,250	-	219,292,249
Total Liabilities	3,232,965,560	179,299,015	3,412,264,578
Net Assets	3,232,965,560	179,299,015	3,412,264,578
Net Assets			
Accumulated Surplus	2 390 242 942	92 193 364	2 482 436 306
Housing Development Fund	2,473,721	-	2,473,721
Revaluation reserve	840,248,897	87,105,654	927,354,551
Total Net Assets	3,232,965,560	179,299,018	3,412,264,578

Stellenbosch Municipality

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2011

56. Prior period errors (continued)

	30_06_2011 Audited	Prior Period Error Amount of Correction	30_06_2011 Restated
Revenue			
Property rates	183,291,413	-	183,291,412
Service charges	454,860,873	-	454,860,873
Property rates - penalties imposed and collection charges	2,372,716	422,057	2,794,773
Rental of facilities and equipment	11,595,026	(312,342)	11,282,684
Interest earned - outstanding Debtors	4,071,819	(243,271)	3,828,548
Income from agency services	1,128,131	(138,542)	989,589
Fines	14,061,397	99	14,061,496
Licences and permits	4,462,400	(443,012)	4,019,388
Government grants and subsidies	96,788,177	-	96,788,179
Other income	15,213,482	475,609	15,689,091
Interest received - investment	19,756,636	-	19,756,636
Total Revenue	807,602,070	(239,402)	807,362,669
Expenses			
Employee related costs	(215,063,926)	(35,733)	(215,099,659)
Remuneration of councillors	(9,681,174)	-	(9,681,174)
Contribution to/from provisions	(35,237,052)	567,747	(34,669,305)
Depreciation and amortisation	(90,603,459)	(7,134,080)	(97,737,539)
Impairment loss/Reversal of impairments	(7,970,285)	-	(7,970,286)
Finance costs	(3,752,322)	-	(3,752,321)
Debt impairment	(11,316,077)	-	(11,316,077)
Collection costs	(94,121)	(15)	(94,136)
Repairs and maintenance	(38,030,103)	(187,050)	(38,217,153)
Bulk purchases	(173,670,985)	-	(173,670,986)
Contracted services	(8,164,511)	(17,511)	(8,182,022)
Grants and subsidies paid	(564,867)	(115)	(564,982)
General Expenses	(135,929,211)	(5,138,412)	(141,067,623)
	(730,078,093)	(11,945,169)	(742,023,263)
Loss on disposal of assets and liabilities	(3,317)	-	(3,317)
Fair value adjustments	4,795,074	-	4,795,074
Gain on biological assets and agricultural produce	265,618	-	265,617
Inventories : (Write-down)/reversal of write down to net realisable value	(121,481)	-	(121,481)
Surplus for the year	82,194,253	(12,184,571)	70,275,299

Stellenbosch Municipality

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56. Prior period errors (continued)

Corrections of Errors and Changes in Accounting Policy

30_06_2011
Restated

Inventories

5,575

Inventories was restated due to the effect of changes in VAT.

Consumer debtors

(12,369,206)

The income estimate raised in terms of GRAP was previously disclosed under consumer debtors instead of other debtors.

Trade and other receivables from exchange transactions

11,885,272

Trade and other receivables from exchange transactions were restated as a result of prior period journals.

Property, plant and equipment

184,414,174

Property, plant and equipment were restated as a result of Non-Current assets held for sale.

Trade and other payables from exchange transactions

2,120,198

Trade and other payables from exchange transactions were restated as a result of VAT transactions that should have reflected in the 2010/11 financial year.

VAT payable

3,545,969

The vat payable was restated.

Employee benefit obligations

17,468,444

Long service awards were previously disclosed under provisions in terms of GRAP 19 (Provision, Contingent Liabilities and Contingent Assets) instead of employee benefits accounted for under IAS 19

1,049,390
16,419,054

Unspent conditional grants and receipts

(462,678)

Accounted for capital debtor in the correct financial year

Provisions

(18,035,133)

Certain provisions that were previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively.

(1,616,079)
(16,419,054)

Accumulated Surplus

92,193,364

Accumulated Surplus was restated to account for the corrections on assets and liabilities. The apportionment application of VAT

Revaluation reserve

87,105,654

Revaluation reserve was restated to account for the corrections on assets and liabilities. The apportionment application of VAT

Stellenbosch Municipality

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56. Prior period errors (continued)

Property rates - penalties imposed on collection charges

422,057

Property rates - penalties imposed on collection charges was restated to correct income as a result of reclassification of income for the 2010/11 financial year.

Rental of facilities and equipment

(312,342)

Rental of facilities and equipment was restated as a result of VAT transactions in the 2010/11 financial year

Interest earned - outstanding Debtors

(243,271)

Interest earned - outstanding Debtors was restated as a result of VAT transactions in the 2010/11 financial year.

Income from agency services

(138,542)

Income from agency services was restated as a result of VAT transactions in the 2010/11 financial year.

Fines

99

Fines was restated as a result of VAT transactions in the 2010/11 financial year.

Licenses and permits

(443,012)

Licenses and permits was restated as a result of VAT transactions in the 2010/11 financial year.

Other income

475,609

Other income was restated as a result of VAT transactions in the 2010/11 financial year.

Employee related costs

(35,733)

Employee related costs was restated to correct expenditure that should have been accounted for in the 2010/11 financial year.

Contribution to/from provisions

567,747

Certain provisions that was previously treated as constructive obligations did not meet the definition criteria of provisions and was corrected retrospectively which affected the contribution to and from provisions.

Collection costs

(15)

Collection costs was restated as a result of VAT transactions in the 2010/11 financial year.

Repairs and maintenance

(187,050)

Repairs and maintenance was restated as a result of VAT transactions in the 2010/11 financial year.

Stellenbosch Municipality

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56. Prior period errors

Contracted services

(17,511)

Contracted services was previously disclosed under General Expenses and is now disclosed separately.

Grants and subsidies paid

(115)

Grants and subsidies paid was restated to correct expenditure that should have been accounted for in the 2010/11 financial year.

General Expenses

(5,138,412)

General Expenses was restated to correct expenditure that should have been accounted for in the 2010/11 financial year and the correction of expenditure duplicated.

Stellenbosch Municipality

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57. Deviations from, and ratification of minor breaches of, procurement process

In accordance with Paragraph 36 of Supply Chain Management Policy the deviations from, and ratification of minor breaches of, procurement process are listed below:

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services					
D/SM 1/12	1 7 2011	Chesmar Trading	Procure the services of a previously appointed contractor to continue clearing stormwater structures in Kayamandi, for a period of one month.	4.36(1)(a)(i) In an emergency	21,000
D/SM 2/12	3 7 2011	Mr D. Louw	Further appointment of Mr D Louw as competent person in terms of the occupational health a safety act, 1993.	4.36(1)(a)(ii) Service available from single provider	188,882
D/SM 6/12	14 7 2011	Aurecon South Africa (Pty) Ltd	Approval of increase of professional fees.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	2,525,105
D/SM 14/12	15 8 2011	CCD Construction	Contractor for cleaning at Beltana Depot offices.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	5,000
D/SM 15/12	17 8 2011	IMQS Software (Pty) Ltd	Sole supplier for maintenance of the IMQS Software for the 2011/2012 financial year	4.36(1)(a)(ii) Service available from single provider	15,048
D/SM 16/12	19 8 2011	Louwri Civils CC	Appointment of Louwri Civils CC to provide heavy duty machinery on Stellenbosch Landfill Site	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	104,766
D/SM 19/12	8 9 2011	C T Lab (Pty) Ltd	Appointment of CT Lab for the supply, installation and monitoring of the QoS system to the remaining substations	4.36(1)(a)(ii) Service available from single provider	183,882
D/SM 23/12	15 9 2011	Dunatos Energy Services (Pty) Ltd	Appointment of consultant - Project; "Take over of Klapmuts and other Eskom electricity supply areas."	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	22,500
D/SM 24/12	19 9 2011	HSM Amanzi	Repair of robot submersible pump for standby at Technopark sewerage pump station	4.36(1)(a)(i) In an emergency	55,972
D/SM 25/12	19 9 2011	Hidro Tech Systems	Appointment of Hido Tech Systems for the Ad-hoc maintenance of 17 sewerage pump stations	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services (continued)					
D/SM 26/12	19 9 2011	Kaulani Civils South (Pty) Ltd	Appointment of Kaulani Civils as contractor on the completion of the outstanding sport stadiums civil works project	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	784,420
D/SM 27/12	19 9 2011	Spectrum Communications	Appointment of Spectrum Communications for the maintenance and upgrades of telemetry and scada	4.36(1)(a)(ii) Service available from single provider	17,761
D/SM 29/12	21 9 2011	Cape Sawmills (Pty) Ltd	Appointment of Cape Sawmills for the supply of wood chips and sawdust mix	4.36(1)(a)(i) In an emergency	29,640
D/SM 38/12	12 10 2011	Louwri Civils CC	Appointment of Louwri Civils CC to provide heavy duty machinery on Stellenbosch Landfill Site.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	182,249
D/SM 40/12	12 10 2011	Moses Civils	Upgrading of road safety measures along Webbersvallei Road, Jamestown.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	425,879
D/SM 44/12	17 11 2011	SSE Cape	Repairs and upgrading of Groendal water pump station from 22KW to 45KW.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	103,432
D/SM 45/12	10 11 2011	Emanti Management	Operation of the drinking water quality management program and analysis of raw and drinking water.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	44,694
		CSIR			74,923
D/SM 46/12	9 12 2011	C T Lab (Pty) Ltd	Appointment of CT Lab for the supply, installation and monitoring of the OoS system to the Suidwal substation	4.36(1)(a)(ii) Service available from single provider	94,563
D/SM 52/12	10 1 2012	Isuzu Truck Centre	Service and repairs to Isuzu road tanker, registration number CI 39408	4.36(1)(a)(vi)- Repairs to vehicle that need to be stripped to quote	58,215
D/SM 53/12	12 1 2012	Eskom	Upgrading of Jamestown Street lighting network	4.36(1)(a)(ii) Service available from single provider	159,950
D/SM 54/12	12 1 2012	Live Wire Engineering & Consulting	Electricity tariffs evaluation and proposal for 2012/2013 financial year	4.36(1)(a)(ii) Service available from single provider	117,206
D/SM 55/12	12 1 2012	IMQS Software (Pty) Ltd	The expansion of an existing Integrated Municipal Infrastructure Management System (IMQS) to include all relevant Municipal services	4.36(1)(a)(ii) Service available from single provider	846,792
D/SM 56/12	24 1 2012	Jeffares & Green Engineering & Environmental Consulting	Appointment of Jeffares and Green as consulting Civil Engineers to perform the additional actions as required to complete the modeling for the greater Stellenbosch.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	741,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services (continued)					
D/SM 57/12	24 1 2012	Vela VKE Consulting Engineers (Pty) Ltd	Appointment of Vela VKE as consulting civil engineers to perform the additional actions as required for the roads master planning and operating licence process.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	451,440
D/SM 64/12	14 2 2012	VB Agri (Pty) Ltd	Repairs to front end loader used at Stellenbosch Wastewater Treatment Works.	4.36.1(a)(vi) repairs to motor vehicles, machinery and equipment that need to be stripped to quote.	33,653
D/SM 66/12	22 2 2012	Dipro Consulting CC	Installation of protection relays.	4.36(1)(a)(ii) Service available from single provider	127,680
D/SM 68/12	19 3 2012	ABB South Africa (Pty) Ltd	Repairs to medium voltage circuit breaker at Curry Substation.	4.36(1)(a)(ii) Service available from single provider	56,523
D/SM 69/12	19 3 2012	KBK Power Solutions	Appointment of KBK Power Solutions for the installation and commissioning of cable work to the new feeder panels.	4.36(1)(a)(ii) Service available from single provider	73,655
D/SM 70/12	19 3 2012	ABB South Africa (Pty) Ltd	Kromrivier substation repairs to ABB 11kV panel	4.36(1)(a)(ii) Service available from single provider	52,070
D/SM 71/12	28 3 2012	Power Transformers	Repairs and service of minisubstations and transformers	4.36.1(a)(vi) machinery and equipment that need to be stripped to quote	143,424
D/SM 72/12	2 4 2012	Adenco Construction	Installation and commissioning of new 11kV feeder panels: SS Cemetery, SS Lang Street, SS Uniepark, SS Tortelduif and SS La Colline Substations	4.36.1(a)(vi) machinery and equipment that need to be stripped to quote	212,934
D/SM 76/12	18 4 2012	Wetchem	Supply and deliver of de-watering polymer, Snowflake CHMW for Stellenbosch Wastewater Treatment Works	4.36(1)(a)(ii) Service available from single provider	Rates approved
D/SM 77/12	19 4 2012	At Work Health and Safety	Purchase of medium voltage switching flash suits.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	100,700
D/SM 78/12	24 4 2012	WAM Technology	Annual license fee for the Municipal Assistant and Customer Relations Management (CRM) Systems	4.36(1)(a)(ii) Service available from single provider	26,750
D/SM 80/12	3 5 2012	Grace Construction	Installation of fibre optic cable ducts adjacent to the feeder cables at Piet Retief, Welgevallen and Park Streets as prescribe by new legislation.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	22,604

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Engineering Services (continued)					
D/SM 84/12	9 5 2012	ATC (Pty) Ltd	Supply and installation of 66kv underground cable and associated equipment (Phase 1 and Phase 2).	4.36(1)(a)(ii) Service available from single provider. 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Settlement agreement in process; subject to being made an Order of Court.
D/SM 85/12	16 5 2012	Schweitzer Engineering Laboratories (Pty) Ltd	Supply of communication converters	4.36(1)(a)(ii) Service available from single provider	62 016
D/SM 92/12	7 6 2012	P and B Limeworks	Supply and delivery of aquastab lime pebbles to Idasvalley filtration plant Stellenbosch	4.36(1)(a)(ii) Service available from single provider	113 780
D/SM 93/12	13 6 2012	Xylem Water Solution South Africa (Pty) Ltd	Supply, delivery, install and commission scum removal pumps at Franschoek WWTW.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	39,193
Total Deviations: 39					

Public Safety

D/SM 10/12	29 7 2011	Hlanganani Blick	Upgrade of ID card software.	4.36(1)(a)(ii) Service available from single provider	5,700
D/SM 33/12	27 9 2011	Altech Alcom Matomo Pty Ltd	Supply and delivery of Etsi Tetra radio equipment until March 2013	4.36(1)(a)(ii) Service available from single provider	Rates approved
D/SM 58/12	24 1 2012	Syntell (Pty) Ltd	Extension of contract for Syntell.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
D/SM 94/12	18 6 2012	Kempster Sedgwick (Pty) Ltd	Supply and delivery of a new commercial diesel powered panel van	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	302,768
D/SM 74/12	11 4 2012	ACE Parking	Extension of ACE Parking.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
Total Deviations: 5					

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Community Services					
D/SM 30/12	28 08 2011	Valley nethall courts	Appointment of Van Zyl & Associates as consulting engineers for the asphaltting works at the La Motte/Devon Valley nethall courts	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	22 500
D/SM 35/12	4 10 2011	CSX Customer Services	Electronic book security system for Cloeteville and Idasvalley libraries	4.36(1)(a)(ii) Service available from single provider	348 323
D/SM 39/12	12 10 2011	Business Engineering (Pty) Ltd	Electronic Records System for all the cemeteries managed by the Stellenbosch Municipality	4.36(1)(a)(ii) Service available from single provider	114 707
D/SM 48/12	10 12 2011	Cape Concrete CC	Pre-cast concrete construction at Jan Marais Park: Eco Centre	4.36(1)(a)(ii) Service available from single provider	292 068
D/SM 89/12	15 05 2012	SKCM Consulting Engineers	Extension of cemeteries infrastructure	4.36(1)(a)(ii) Service available from single provider	16 051
D/SM 81/12	08 05 2012	FCS Civils/CC	Appointment of civil contractor for outstanding paving work at Van Der Stel sports grounds	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	500 000
Total Deviations: 6					

Strategic and Corporate Services

D/SM 28/12	19 09 2011	Mr Stephan Boshoff	Appointment of a consultant for the facilitation of the IDP strategic session scheduled for 22 & 23 September 2011	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	29,070
D/SM 37/12	12 10 2011	ODA	Appointment of consultant to assist with the integration of IDP - Municipal processes (3rd Generation IDP)	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	136,800
D/SM 51/12	09 01 2012	ODA	Appointment of consultant to assist with the integration of IDP - Municipal processes (3rd Generation IDP)	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	200,000
D/SM 67/12	02 03 2012	Mr. J. Coetzee	Appointment of Mr. Jan Coetzee for the supervision of machinery in terms of the Occupational Health and Safety Act	4.36(1)(a)(i) In an emergency	68,000
D/SM 73/12	02 04 2012	Fairbridges Attorneys	Appointment of an attorney firm, namely Fairbridges Attorneys, for the provision of legal advice and legal representation on the SAL GBC matter	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 75/12	11 04 2012	ODS Consulting	Appointment of consultant to assist with the Macro Structure of Council.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	36,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Strategic and Corporate Services (continued)					
D/SM 90/12	28 5 2012	Metrofile (Pty) Ltd	Extension of FQ?SM 226/12 - Sorting and categorising of HR records and compilation of registers of files opened	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	13,680
D/SM 91/12	4 6 2012	Space for Development	Stellenbosch valley of character training	4.36(1)(a)(ii) Service available from single provider	376,000
Total Deviations: 8					

Financial Services

D/SM 7/12	15 7 2011	Cape Office Machines (Pty) Ltd	Photo copier rental for rates department for a period of 3 months	4.36(1)(a)(i) In an emergency	6,765
/SM 13/12	11 8 2011	Total South Africa (Pty) Ltd	Approval of Total South Africa (Pty) Ltd for the supply and delivery of petrol and diesel on a month to month basis until the implementation of Fleet Management Solution.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 17/12	24 8 2011	Geodebt Solutions CC	Appointment of Geodebt to conduct credit control functions for Stellenbosch Municipality.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Final amount determined after completion
D/SM 31/12	26 9 2011	INCA Portfolio Managers	Rendering the services of an independent financial assessment and cash flow forecast modelling.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	195,000
D/SM 65/12	2 2 2012	Ratings Afrika	Municipal sustainability rating.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	88,920
D/SM 86/12	16 5 2012	IMQS Software (Pty) Ltd	Appointment of IMQS to complete the stock take of the Stellenbosch Municipality's Infrastructure Assets.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	612,408
D/SM 95/12	19 6 2012	AON South Africa (Pty) Ltd	Extension of insurance contract for a period of six months ending 31 December 2012.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	2,000,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Financial Services (continued)					
D/SM 96/12	19 6 2012	Total South Africa (Pty) Ltd	Service provider to supply petrol and diesel for the shorter period of: actual date of commencement of the fleet management system or twelve months ending June 2013.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Amount will depend on the actual usage of vehicles per department
D/SM 97/12	27 6 2012	Neotel	Provision of fixed voice and data telecommunications services for a period of 2 years. (60 SIP channels)	4.32. Procurement of goods and services on contracts secured by other organs of state.	Rates approved.
D/SM 99/12	28 6 2012	ABSA	Banking Services	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
Total Deviations: 10					

Planning and Development

D/SM 3/12	6 7 2011	PDFH	Rectification of the roofs at the 82 units at the Steps/Orlean Lounge and the water channels and sealants to construction joints to the 161 units	4.36(1)(a)(i) In an emergency	1,249,840
		SBI Properties	Structural engineers to monitor and certify the quality of work and payments		25,093
		Safetycon	Occupational Health and Safety officers.		4,788
D/SM 4/12	14 7 2011	Calidris Development Management	Appointment of consultant project management and co-ordinating services for a period of six months	4.36(1)(a)(i)- In an emergency	342,000
D/SM 5/12	5 7 2011	SKCM Consulting Engineers	Approval of increase of professional fees.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	145,830
D/SM 11/12	2 8 2011	Koelpark Development (Pty) Ltd	Implementation agent on behalf of Stellenbosch Municipality for the development of Erf 2124, part of the Klapmuts housing project on portion 342 Klapmuts.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	9,935,145
D/SM 12/12	2 8 2011	Longlands Holdings (Pty) Ltd	Implementation agent on behalf of Stellenbosch Municipality for the development of Portion B of the Longlands Development, on Portion 11 of farm 393, Stellenbosch.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	3,180,000

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Planning and Development (continued)					
D/SM 20/12	12 9 2011	Schindler Lifts SA (Pty) Ltd	Appointment of Schindler lifts SA (Pty) Ltd for structural maintenance work at Aurora flats.	4.36(1)(a)(ii) Service available from single provider	3,765
D/SM 21/12	12 9 2011	Schindler Lifts SA (Pty) Ltd	Appointment of Schindler lifts (Pty) Ltd for structural maintenance work at Lavanda flats: lift CTE 72.	4.36(1)(a)(ii) Service available from single provider	6,192
D/SM 36/12	12 10 2011	SBI Properties	Appointment of project manager and safety agent to facilitate the planning and construction of Klapmuts resource centre.	4.36(1)(a)(i) In an emergency	150,000
D/SM 42/12	25 10 2011	Koelpark (Pty) Ltd	Bronze casting of the "Oom Jan" bust	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	8,683
D/SM 47/12	13 12 2011	Schindler Lifts (Pty) Ltd	Structural maintenance work at the Phyleraia flats	4.36(1)(a)(ii) Service available from single provider	5,820
D/SM 59/12	24 1 2012	Schindler Lifts (Pty) Ltd	Appointment of Schindler lifts (pty) ltd for structural maintenance work at the Phyleraia flats	4.36(1)(a)(ii) Service available from single provider	175,750
D/SM 60/12	26 1 2012	Friedlander, Burger & Volkmann	Complete and submit general plan for Watergang: 106 Units.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	112,336
D/SM 79/12	24 4 2012	Mr D. Langdon	Appointment of a quantity surveyor for the new additional office space.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
Total Deviations: 13					

Municipal Manager's Office

D/SM 8/12	18 7 2011	ODS Consultants CC	Facilitator for Strategic Session - Mayco and Directors - 20-22 July 2011 at Plein Street, Library Hall.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	28,000
D/SM 9/12	26 7 2011	Augustine Cloete Attorneys	Appointment of External Legal Services to advise and/or institute or defend any application or summons for the demolition of illegal building works and/or contravention of the Land Use Planning Ordinance, 15 of 1985.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Final amount determined after completion

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Municipal Manager's Office (continued)					
D/SM 18/12	29 8 2011	Webber Wentzel	Appointment of External Legal Services to advise, make representations or oppose/abide the interdict application and anticipated review application against Brashville Properties 51 (Pty) Ltd.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes.	Final amount determined after completion
D/SM 22/12	12 9 2011	Cliffe Dekker Hofmeyr Inc	Appointment of external legal services to advise and oppose the Mandament of Spolie on the Municipality's behalf.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 32/12	27 9 2011	Supreme Upholstery	Renovate/upgrade the reception area of the Executive Mayor.	4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	29,774
		Meyer & Ferreira Furniture			4 800
D/SM 34/12	3 10 2011	Van Heerden Van der Walt Attorneys	Transfer of approximately 1296 properties to various subsidy beneficiaries in terms of various housing projects in Stellenbosch WC024 area.	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 41/12	28 10 2011	Webber Wentzel	Appointment of an attorney firm, namely Webber Wentzel, to advise, institute and conduct a clause 4.38 Supply Chain Management Policy investigation regarding the alleged misrepresentation/s made by Consolidated Power Projects (Pty) Ltd in its tender proposal and their conduct after the awarding of the tender including the appointment of a panel to adjudicate the findings and allegations.	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 43/12	10 11 2011	CSM Attorneys	Appointment of an attorney firm, namely CSM Attorneys, to attend on the collection of all outstanding rental amounts in terms of lease agreements entered into between the Municipality and the various lessees of houses in the La Motte Village	4.36(1)(a)(i) In an emergency & 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 49/12	9 12 2011	Visser Kapperer De Bruin Argitekte (EDMS) BPK	Ratify: signature date.	4.36(1)(b)- Ratify any minor breaches.	-

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Municipal Manager's Office (continued)					
D/SM 50/12	21 12 2011	Cliffe Dekker Hofmeyr Inc	Appointment of external legal services to advise and oppose the High Court interdict application to consider the building plans submitted by Rapicorp 48 (Pty) Ltd and review the application and/or any other application/summons in this matter against Stellenbosch Municipality.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion
D/SM 61/12	31 1 2012	ABB South Africa (Pty) Ltd	Ratify the awarded rates that read "Excluding VAT " and not 'Including VAT'. The awarded rates must therefore be amended to include VAT	4.36.1(b) Ratify any minor breaches	-
D/SM 62/12	31 1 2012	Cliffe Dekker Hofmeyr Inc	Appointment of external legal services to advise and oppose the matter on the Municipality's behalf, according to a notice in terms of CIDB regulations.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 63/12	31 1 2012	Webber Wentzel	Appointment of external legal services to institute appropriate legal action for the review of the Municipality's decision to award a tender.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 82/12	4 5 2012	Bradley Conradie Attorneys	Appointment of external legal services to advise and assist Municipal Manager and Executive Mayor insofar the appointment of the Accounting Officer is concerned and various other labour matters that requires the urgent attention of the Acting Municipal Manager.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Rates approved
D/SM 83/12	11 5 2012	Deloitte	Appointment of an organizational specialist.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	386,400
D/SM 87/12	18 5 2012	Webber Wentzel	Appointment of an attorney firm namely, Webber Wentzel, to furnish advisory in relation to the legal complexities and assistance with action in relation to the award of Tender B/SM 352/11 (including potentially litigious action) as well as the Municipality's conduct thereafter.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.

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57. Deviations from, and ratification of minor breaches of, procurement process (continued)

Deviation Number	Contract Date	Name of Contractor	Contract Description	Reason for Deviation	Total Contract Price
Municipal Manager's Office (continued)					
D/SM 88/12	15 5 2012	Augustine Cloete Attorneys	Appointment of an attorney firm, namely Augustine Cloete Attorneys, to attend to all litigious and conveyancing aspects relating to the transfer of Erf 7802 Stellenbosch.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.
D/SM 98/12	28 6 2012	Cliffe Dekker Hofmeyr Inc	Appointment of an attorney firm, namely Cliffe Dekker Hofmeyr Inc, to attend to litigation in respect of case 1357/2012: Fenwisck Boshoff Attorneys v Stellenbosch Municipality, as well as the assessment of the merits of the claim being filed against Stellenbosch Municipality.	4.36(1)(a)(i) In an emergency; 4.36.1(a)(v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes	Final amount determined after completion.

Total Deviations: 18

Total Deviations approved 99

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58. Certificate of Emergencies

In accordance with Paragraph 36 of Supply Chain Management Policy the certificate of emergencies per directorate are listed below:

Date of Adjudication		Short Description of Goods/ Services Procured	Reason for deviation	Contract/ Order Amount
Engineering Services				
13 7 2011	Gearbox Repair Centre CC	Repairs to vehicle CL52277.	4.36.4 Certificate of Emergency	35,343
15 7 2011	Blue Earthmoving	Hiring of dozer for the Landfill Site.	4.36.4 Certificate of Emergency	41,373
19 7 2011	Leading Edge 70 CC	Installation of security window and door screens at La Motte Wastewater Treatment (LMWWT) electric switch room building.	4.36.4 Certificate of Emergency	21,974
21 7 2011	Business Behind Empowerment	Call-out repairs to the front end loader at Stellenbosch Wastewater Treatment Works.	4.36.4 Certificate of Emergency	2,828
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Emergency call out to Jamestown Pump Station - Float switches.	4.36.4 Certificate of Emergency	1,807
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Klapmuts No. 1 La Motte & Lanquedoc Sewer Pump Station Inspection.	4.36.4 Certificate of Emergency	4,150
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Emergency call out for electrician to Tegnopark pump station.	4.36.4 Certificate of Emergency	1,528
22 7 2011	Hidro-Tech Systems (Pty) Ltd	Repairs of Hidorstal pump Model C080-LHIR CWT2 At Klapmuts No.1 Sewer Pump Station.	4.36.4 Certificate of Emergency	14,387
2 8 2011	G.M Waste	Management of Stellenbosch Landfill Site.	4.36.4 Certificate of Emergency	29,000
11 8 2011	Absolute Ablutions	Repairs to vandalized Kayloo at Kayamandi informal settlement in Stellenbosch.	4.36.4 Certificate of Emergency	33,546
24 8 2011	D P Truckhire	Door to door collection of containerised waste from Stellenbosch.	4.36.4 Certificate of Emergency	20,064
30 8 2011	Blue Earthmoving	Hiring of digger loaders, dumper and tipper trucks to cart away sludge from belt press area, and mulch to the Stellenbosch Wastewater Treatment plant.	4.36.4 Certificate of Emergency	277,157
16 9 2011	Bright Idea Project 719 CC	Cleaning of Swartz Close, Kayamandi.	4.36.4 Certificate of Emergency	6,672
13 10 2011	Stellenbosch Premier Manufactures (Pty) Ltd	Repair vandalized reservoir at Uniepark in Stellenbosch.	4.36.4 Certificate of Emergency	13,538
19 10 2011	Go2 Plant Hire	Hiring of refuse compactor.	4.36.4 Certificate of Emergency	11,286
26 10 2011	Interwaste Pty Ltd	The removal and transport of 4 x 15m³ Roro bins from Stellenbosch wastewater treatment works to a licenced dumping site for safe disposal.	4.36.4 Certificate of Emergency	11,980
28 10 2011	SSE Cape	Repair of broken soft starter in La Motte water pump station.	4.36.4 Certificate of Emergency	45,564
11 11 2011	Reticulation and General Supplies.	The removal and transport of 2 x 10m³ roro bins from Stellenbosch Wastewater Treatment Works to licenced dumping site for safe disposal.	4.36.4 Certificate of Emergency	595
8 12 2011	Exeo Khokela Civil Engineering Construction (Pty) Ltd	Repair and diversion of collapsed bulk sewer at Franschoek WWTW.	4.36.4 Certificate of Emergency	120,579
20 1 2012	Leading Edge 70 CC	Installation of burglar bars in De Zalze pump station.	4.36.4 Certificate of Emergency	13,566
9 2 2012	Jetvac South Africa	Unblocking and cleaning of sewer pump station in Plakenburg Industrial area.	4.36.4 Certificate of Emergency	11,172
10 2 2012	Hidro-Tech Systems (Pty) Ltd	Repair to Homa Pump at Pniel sewerage pump station.	4.36.4 Certificate of Emergency	22,891
21 2 2012	Camel Rock Security Trading 539 CC	Security services for Kayamandi pump station and reservoir to sustain water supply to Kayamandi area and surrounding farms (20-24 February 2012)	4.36.4 Certificate of Emergency	6,440
21 2 2012	QCK Lezmin 4366 t/a Future Trees	Felling of mature oak tree in Drostdy Street, Stellenbosch.	4.36.4 Certificate of Emergency	7,182
23 2 2012	Camel Rock Security Trading 539 CC	Security services for Kayamandi pump station and reservoir to sustain water supply to Kayamandi area and surrounding farms (16-20 February 2012)	4.36.4 Certificate of Emergency	6,440
6 3 2012	Jetvac South Africa	Repair water jet machine pump.	4.36.4 Certificate of Emergency	34,867
6 3 2012	Protocor Twenty Two CC	Replace faulty power supply unit for beltpress 1 at the De-Watering facility of Stellenbosch Wastewater Treatment Works.	4.36.4 Certificate of Emergency	18,307
11 4 2012	White Earth Trading t/a Wetchem	Supply of De-Watering polymer, snowflake CHMW.	4.36.4 Certificate of Emergency	28,643
15 5 2012	Reflect All Compressors	Repairs to airblowers and attenuator at Paradyskloof Water Treatment plant.	4.36.4 Certificate of Emergency	45,255
22 5 2012	Go2 Plant Hire	Hiring of refuse compactor.	4.36.4 Certificate of Emergency	11,286
24 5 2012	RRR Civils	Water pipe repair work in Ryneveld and Cupido Street, Stellenbosch.	4.36.4 Certificate of Emergency	12,330
18 6 2012	Maxal Projects (SA) (Pty) Ltd	Emergency upgrade to chlorine dosing unit at Franschoek WWTW.	4.36.4 Certificate of Emergency	27,919
21 6 2012	Hydratech	Hiring of refuse compactor.	4.36.4 Certificate of Emergency	30,780
21 6 2012	Go2 Plant Hire	Hiring of refuse compactor with bin lifters.	4.36.4 Certificate of Emergency	11,286

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58. Certificate of Emergencies (continued)

Date of Adjudication	Supplier	Short Description of Goods/ Services Procured	Reason for deviation	Contract/ Order Amount
22 6 2012	Surevac Logistics	Road tanker services at KWV sewerage pump station, Jonkershoek picnic terrain and Franschhoek Parks.	4.36.4 Certificate of Emergency	2,052
22 6 2012	Surevac Logistics	Road tanker services at Pniel sewerage pump station.	4.36.4 Certificate of Emergency	5,187
22 6 2012	Leading Edge 70 CC	Replace bearings and wheel at secondary settling tank 1 (SST1).	4.36.4 Certificate of Emergency	5,586
20 6 2012	S.Dreyer (CAR) t/a Dreyer Cleaning Solutions.	Blockage on Eerste River.	4.36.4 Certificate of Emergency	28,500
21 6 2012	Payless Fitment Centre	Supply new steering box for CL 30744.	4.36.4 Certificate of Emergency	6,500
22 6 2012	Integral Laboratories (Pty) Ltd	Full SANS 241:2011 analysis of raw and final water.	4.36.4 Certificate of Emergency	40,897
18 6 2012	Leading Edge 70 CC	Repairs to belt press 1 at the Stellenbosch WWTW.	4.36.4 Certificate of Emergency	7,752
22 6 2012	Protocor Twenty Two CC	Repairs to belt press 1 at the Stellenbosch WWTW (Automation Specification).	4.36.4 Certificate of Emergency	13,779
22 6 2012	Hydo-Tech Systems (Pty) Ltd	Replace pump at Klipmuts 3 sewerage pump station.	4.36.4 Certificate of Emergency	90,972
25 6 2012	LDK Industrial CC	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	6,327
25 6 2012	Adenco Construction (Pty)Ltd	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	21,667
25 6 2012	RACEC (Pty) Ltd	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	66,957
25 6 2012	Polybox	Kayamandi Storm damage - 08 June 2012.	4.36.4 Certificate of Emergency	27,930
27 6 2012	Xtantis (Pty)Ltd	Hire of generator	4.36.4 Certificate of Emergency	34,055
27 6 2012	Exeo Khokela Civil Engineering Construction (Pty) Ltd	Reinstate Brandwacht Road damaged by burst water main.	4.36.4 Certificate of Emergency	59,600
27 6 2012	Bazamile Trading CC	Operations and maintenance of communal ablution facilities at Kayamandi Informal Settlement.	4.36.4 Certificate of Emergency	68,620
28 6 2012	RRR Civils CC	Repair to collapsed main sewer in Forelle Street, Die Boord.	4.36.4 Certificate of Emergency	14,097
28 6 2012	Immex Waste Management CC	Road tanker services at Pniel sewerage pump station (IMMEX)	4.36.4 Certificate of Emergency	31,806
29 6 2012	Henntech Services	Repairs to stolen cables and recommissioning of plant at Franschhoek WWTW.	4.36.4 Certificate of Emergency	46,673
Total Emergency certificates for Engineering Services:				-
Total Value amount:				1,560,688

Public Safety

14 9 2011	Fire Raiders Cape (Pty) Ltd	Repair fire pump transfer case - CL 50544.	4.36.4 Certificate of	79,751
31 5 2012	Online Security System	Replacement of radio base station of alarm system for Stellenbosch Municipality.	4.36.4 Certificate of	31,350
11 6 2012	Camel Rock Trading 539 CC	Provision of emergency security services at Cloetessville sports grounds.	4.36.4 Certificate of	3,192
12 6 2012	Country Building Supplies	Fire and flood kits for informal structures in various informal areas in the Stellenbosch region.	4.36.4 Certificate of	262,599
12 6 2012	Breerivier Groothandelaars	Food parcels for informal structures in various informal areas in the Stellenbosch region.	4.36.4 Certificate of	7,332
12 6 2012	Pep Stellenbosch	Blankets for informal structures in various informal areas in the Stellenbosch region.	4.36.4 Certificate of	6,998
13 6 2012	Redhills Electronics	Supply and installation of avigilon 16 CH HVR and replace dome camera at Beltana.	4.36.4 Certificate of	78,555
28 6 2012	Redhills Electronics	Supply of 165 metres 3 core steel wire armour cable.	4.36.4 Certificate of Emergency	3,966
Total Emergency certificates for Public Safety				-
Total Value amount:				473,743

Community Services

11 7 2011	Stellenbosch Premier Manufactures (Pty) Ltd	Perform specialized metal tests to determine whether the remaining two flood lights on Pniel Sports Ground comply with the health and safety standards.	4.36.4 Certificate of Emergency	5,016
Total Emergency certificates for Community Services:				-
Total Value amount:				5,016

Strategic and Corporate Services

27 6 2012	Marena van Wyk	Psychological services/counselling for employees of Stellenbosch Municipality.	4.36.4 Certificate of Emergency	21,395
27 6 2012	Jonty Engineering and Trading SA	Appointed to erect 51 Wendy houses at La Rochelle informal settlement.	4.36.4 Certificate of Emergency	14,200

Total Emergency certificates for Strategic and Corporate Services:

-
35,595

Total Emergency Certificates for 2011/2012 Financial year:

Total Value amount for Emergency Certificates 2011/2012 Financial year:

-
R 2,075,041

Stellenbosch Municipality

Appendix A for the year ended 30 June 2012

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2012

Details	Loan Number	Redeemable Date	Balance at 30 June 2011	Received during the Period	Redeemed during Period	Balance at 30 June 2012
DEVELOPMENT BANK OF SOUTH AFRICA			R	R	R	R
DBSA @ 9,25%	101878	31 Dec 2020	24,075,447		1,669,050	22,406,397
DBSA @ 11,55%	103081	30 June 2025	11,123,576	9,635,342	1,013,732	19,745,186
DBSA @ 10.25%	103905	30 June 2026	4,727,026	38,039,049	2,058,920	40,707,155
Trans-Caledon Tunnel Authority	TCTA	30 June 2012	1,615,859	-	1,615,859	-
			41,541,908	47,674,391	6,357,560	82,858,738
Total External Loans						

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
LAND & BUILDINGS										
PPE Buildings	337,426,523	1,115,567		32,655,697	371,197,787	(4,225,953)	(89)		(4,226,042)	366,971,745
Land and Buildings	430,196,488			9,756,904	439,953,392	(7,097,487)			(7,097,487)	432,855,905
Landfill Sites	6,272,575			-	6,272,575	(892,846)	(367,878)	-	(1,260,724)	5,011,851
Vacant land	12,412,000				12,412,000					
	787,307,586	1,115,567	-	42,412,601	830,835,754	(12,216,286)	(367,966)	-	(12,584,253)	818,251,501
INFRASTRUCTURE ASSETS										
Access control	1,472,834	178,988	-	-	1,651,822	(248,028)	(303,690)	-	(551,718)	1,100,105
Aprons	111,614	-	-	-	111,614	(11,253)	(5,596)	-	(16,849)	94,765
Bridges, subways & culverts	14,137,162		-	-	14,137,162	(750,942)	(370,644)	-	(1,121,586)	13,015,577
Bus terminals	4,112,126	797,613	-	-	4,909,739	(733,983)	(242,062)	-	(976,046)	3,933,693
Car parks	24,389	-	-	-	24,389	(9,762)	(1,223)	-	(10,985)	13,404
Fencing	7,901,118	797,597	-	-	8,698,715	(2,846,234)	(1,476,498)	-	(4,322,732)	4,375,983
Footways	37,722,104	3,824,109	798,846	-	42,345,059	(5,614,492)	(2,146,920)	-	(7,761,413)	34,583,646
Mains electrical	193,925,267	3,008,223		(523,563)	196,409,926	(9,271,239)	(8,380,389)	-	(17,651,628)	178,758,299
Mains water	57,976,659	2,736,871		-	60,713,530	(5,185,726)	(2,582,508)	-	(7,768,234)	52,945,296
Meters electrical	232,817	712,267		-	945,084	(37,856)	(51,407)	-	(89,263)	855,821
Meters water	54,653,114	17,366		-	54,670,480	(7,705,594)	(2,515,071)	-	(10,220,665)	44,449,815
Motorways	662,564,267			-	662,564,267	(86,865,127)	(22,705,114)	-	(109,570,241)	552,994,026
Outfall sewers	12,179,572			-	12,179,572	(608,979)	(610,647)	-	(1,219,626)	10,959,947
Paving	2,253,957	1,326,003		-	3,579,959	(43,978)	(116,567)	-	(160,545)	3,419,414
Pump stations	2,667,956			-	2,667,956	(134,555)	(133,763)	-	(268,318)	2,399,638
Purification works	159,388,594	290,575	36,184,792	-	195,863,962	(40,589,398)	(7,006,823)	-	(47,596,221)	148,267,741
Rights	27,652			-	27,652	(11,068)	(1,386)	-	(12,455)	15,197
Other roads	45,022,414	16,277,352	2,922,095	-	64,221,861	(4,382,109)	(4,458,517)	-	(8,840,626)	55,381,235
Security systems	22,098,630	674,746		-	22,773,376	(4,114,762)	(2,886,555)	-	(7,001,317)	15,772,060
Sewers	7,650,883			-	7,650,883	(46,804)	(383,592)	-	(430,397)	7,220,486
Sewerage pumps	33,094	2,516,182		-	2,549,276	(2,291)	(128,596)	-	(130,887)	2,418,389
Street lighting	211,287,914	160,276		-	211,448,190	(15,537,431)	(6,507,978)	-	(22,045,409)	189,402,780
Supply/reticulation	1,045,456	3,270,487		-	4,315,943	(145,909)	(970)	-	(146,879)	4,169,064
electrical Supply/reticulation	314,776,912	885,000		-	315,661,912	(101,553,502)	(6,849,456)	-	(108,402,958)	207,258,954
water Stormwater drains	67,401,264	727,163		-	68,128,427	(2,551,907)	(668,060)	-	(3,219,967)	64,908,459
Switchgear equipment	137,050,918	14,932,621		-	151,983,540	(10,991,911)	(4,899,511)	-	(15,891,422)	136,092,117
Reservoirs & tanks	116,677,229		5,379,903	-	122,057,132	(55,325,641)	(2,758,696)	-	(58,084,337)	63,972,795
Taxiways	8,644,552	1,156,444		-	9,800,996	(120,626)	(433,570)	-	(554,196)	9,246,800
Transformer kiosks	116,184,636			-	116,184,636	(19,921,150)	(4,769,641)	-	(24,690,791)	91,493,845
Traffic lights	660,085	399,969		-	1,060,054	(16,387)	(27,050)	-	(43,437)	1,016,617
Street names & traffic signs	2,909,408	1,028,295	-	-	3,937,703	(1,463,356)	(469,510)	-	(1,932,867)	2,004,837
	2,262,794,598	55,718,147	45,285,636	(523,563)	2,363,274,818	(376,842,001)	(83,892,012)	-	(460,734,013)	1,902,540,805

Stellenbosch Municipality

Appendix B for the year ended 30 June 2012

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
COMMUNITY ASSETS										
Buildings	5,523,524	1,365,433	1,359,326	-	8,248,283	(185,098)	(196,051)	-	(381,149)	7,867,134
Cemeteries	574,646	93,119	-	-	667,765	(7,907)	(20,238)	-	(28,145)	639,620
Community centre	72,921	-	-	-	72,921	(198)	(2,437)	-	(2,636)	70,285
Fire stations	-	-	279,705	-	279,705	-	-	-	-	279,705
Game reserves	154,100	-	-	-	154,100	(2,786)	(5,151)	-	(7,937)	146,163
Informal housin	5,825,939	185,655	-	-	6,011,594	(2,333,302)	(292,121)	-	(2,625,422)	3,386,172
Lakes and dams	466,280	409,603	-	-	875,883	(511)	(23,490)	-	(24,001)	851,882
Libraries	163,417	-	-	-	163,417	(123)	(5,462)	-	(5,585)	157,832
Municipal buildings	7,979,646	-	-	-	7,979,646	(270,770)	(256,724)	-	(527,493)	7,452,153
Municipal houses	-	-	-	-	-	-	-	-	-	-
Museum/art gall	-	-	-	-	-	-	-	-	-	-
Netball courts	-	-	-	-	-	-	-	-	-	-
Nusery	-	169,689	-	-	169,689	-	(581)	-	(581)	169,108
Outdoor sports	1,608,538	463,106	-	-	2,071,645	(39,862)	(93,502)	-	(133,364)	1,938,281
Parks	2,506,211	1,079,002	-	-	3,585,213	(91,228)	(88,321)	-	(179,549)	3,405,664
Public conveniences/ bathhouses	12,704,861	201,235	-	-	12,906,096	(377,304)	(426,508)	-	(803,812)	12,102,284
Recreation cent	291,735	-	-	-	291,735	(9,916)	(9,751)	-	(19,667)	272,068
Stadiums	40,487,648	-	-	-	40,487,648	(1,232,890)	(1,208,053)	-	(2,440,942)	38,046,706
Swimming pools	30,335	-	-	-	30,335	-	-	-	-	30,335
	78,389,801	3,966,843	1,639,031	-	83,995,674	(4,554,487)	(2,629,910)	-	(7,184,397)	76,811,277
OTHER ASSETS										
Air conditioner	277,696	221,047	-	-	498,742	(83,497)	(52,934)	-	(136,432)	362,310
Audio Equipment	-	590	-	-	590	-	(130)	-	(130)	460
Library Books	642,892	342,162	-	-	985,055	(231,843)	(126,874)	-	(358,717)	626,338
Broom - drawn	-	-	-	-	-	0	-	-	-	-
Bulk containers	183,022	-	-	-	183,022	(28,389)	(17,302)	-	(45,691)	137,331
Cabinets/cupboard	1,648,848	455,711	-	-	2,104,559	(1,032,249)	(144,440)	-	(1,176,689)	927,870
Canopy	68,706	6,491	-	-	75,197	(12,798)	(14,878)	-	(27,676)	47,521
Chairs	1,883,830	200,848	-	-	2,084,678	(1,181,804)	(281,795)	-	(1,463,599)	621,078
Cleaner - steam	72,477	-	-	-	72,477	(69,112)	(3,365)	-	(72,477)	-
Computer hardware	6,245,270	3,158,122	755	-	9,404,147	(3,736,674)	(798,462)	-	(4,535,136)	4,869,011
Compactor	17,500	-	-	-	17,500	(17,500)	-	-	(17,500)	-
Control system	25,271	-	-	-	25,271	(23,218)	(2,053)	-	(25,271)	-
Conveyors	2,495,924	3,411,442	-	-	5,907,366	(1,183,596)	(729,160)	-	(1,912,756)	3,994,611
Drill - concret	-	-	499,825	-	499,825	-	-	-	-	499,825
Equipment/apparatus	-	-	-	-	-	-	-	-	-	-
Equipment/apparatus	9,939	-	-	-	9,939	(8,550)	(1,389)	-	(9,939)	-
Electrical equipment	16,473	-	-	-	16,473	(3,304)	(3,304)	-	(6,607)	-
Laboratory equipment	975,514	288,495	-	-	1,264,010	(151,777)	(204,199)	-	(355,976)	908,034
Milling equipment	14,832,790	11,168,748	4,089,110	-	30,090,648	(3,449,981)	(779,023)	-	(4,229,004)	25,861,644
Radio equipment	41,921	15,867	-	-	57,788	(21,131)	(6,985)	-	(28,116)	29,672
Telecommunications	-	-	-	-	-	-	-	-	-	-
Feeders	174,746	131,664	-	-	306,411	-	-	-	-	-
Fire equipment	696,192	51,665	-	-	747,857	(26,342)	(38,394)	-	(64,736)	241,675
Firearms	-	-	-	-	-	(594,555)	(31,781)	-	(626,336)	121,522
Generator	502,389	136,842	-	-	639,230	-	-	-	-	-
General plant	173,684	-	-	-	173,684	(312,331)	(20,950)	-	(333,281)	305,950
Household refuse	694,970	-	-	-	694,970	(44,851)	(34,832)	-	(79,683)	94,001
Fire hoses	14,200	-	-	-	14,200	(396,035)	(114,022)	-	(510,057)	184,912
Housing schemes	3,483,632	491,913	-	-	3,975,545	(14,200)	-	-	(14,200)	-
	-	17,920	-	-	17,920	(1,522,421)	(592,766)	-	(2,115,187)	1,860,358
	941,501	2,436,558	17,813,985	-	21,192,045	-	(1,532)	-	(1,532)	16,388
	-	-	-	-	-	(86)	(6,962)	-	(7,049)	21,184,996

Stellenbosch Municipality

Appendix B for the year ended 30 June 2012

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation					Accumulated Depreciation				Carrying value
	Opening Balance	Additions	Under construction	Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
Hoist - refuse	3,102,376	-	-	-	3,102,376	(833,598)	(613,652)	-	(1,447,251)	1,655,126
Irrigation system	70,209	606,632	-	-	676,841	(12,634)	(19,981)	-	(32,615)	644,226
Emergency light	86,265	3,490	-	-	89,755	(82,318)	(1,078)	-	(83,396)	6,359
Loader - front	-	-	-	-	-	-	-	-	-	-
Miscellaneous furniture	2,951,654	944,750	80,440	-	3,976,844	(1,241,388)	(357,728)	-	(1,599,116)	2,377,727
Mixer - concrete	-	-	-	-	-	-	-	-	-	-
Office building	187,620	78,790	-	-	266,410	(779)	(6,613)	-	(7,392)	259,018
Office machines	14,492,790	4,816	-	-	14,497,606	(2,706,609)	(5,492,222)	-	(8,198,830)	6,298,775
Other land	-	-	-	-	-	-	-	-	-	-
Pipelines	16,791,661	7,478,479	-	-	24,270,140	(56,357)	(426,253)	-	(482,611)	23,787,529
Plant and Equipment	5,913,915	349,052	-	-	6,262,967	(5,670,555)	(434,242)	-	(6,104,797)	158,170
Pulverising mills	106,908	11,928	-	-	118,836	-	-	-	-	92,772
Pumps	1,635,494	-	-	-	1,635,494	(3,977)	(22,087)	-	(26,065)	310,023
Roller - pavement	-	-	-	-	-	(1,079,837)	(245,634)	-	(1,325,471)	-
Roller - water	2,521,524	76,981	-	-	2,598,505	-	-	-	-	581,033
Tables/desks	3,321,950	11,545	-	-	3,333,495	(1,637,492)	(379,980)	-	(2,017,471)	295,026
Telecommunication	130,347	-	-	-	130,347	(2,756,163)	(282,305)	-	(3,038,469)	17,284
Tipper	47,202,643	3,146,143	13,503,199	(10,713,344)	53,138,641	(104,349)	(8,714)	-	(113,063)	20,917,972
Tip sites	292,746	63,714	-	-	356,460	(31,870,683)	(349,986)	-	(32,220,669)	175,126
Tools	207,152	-	-	-	207,152	(132,364)	(48,970)	-	(181,334)	113,266
Trailers	8,668,871	1,270,787	-	-	9,939,658	(63,161)	(30,724)	-	(93,885)	3,860,950
Vehicles	-	-	-	-	-	(5,524,103)	(554,605)	-	(6,078,708)	-
Buses	9,970	-	-	-	9,970	-	-	-	-	-
Compressors	5,015,613	-	-	-	5,015,613	(9,970)	-	-	(9,970)	2,982,641
Compactor truck	-	1,010,583	-	-	1,010,583	(1,217,595)	(815,378)	-	(2,032,972)	-
Motor cycles	-	-	-	-	-	-	(1,910)	-	(1,910)	-
Fire engines	-	-	-	-	-	-	-	-	-	-
Farm equipment	174,899	-	-	-	174,899	-	-	-	-	19,761
Graders	-	-	-	-	-	(102,231)	(52,907)	-	(155,138)	-
Lawnmowers	251,680	-	-	-	251,680	-	-	-	-	107,895
Vehicle monitor	-	-	-	-	-	(111,601)	(32,184)	-	(143,785)	-
Roller - mechanical	-	-	-	-	-	-	-	-	-	-
Pound vehicles	-	-	-	-	-	-	-	-	-	-
Road maintenance	1,401,700	-	-	-	1,401,700	-	-	-	-	963,910
Street sweeper	32,389,077	2,495,372	-	-	34,884,449	(156,682)	(281,108)	-	(437,790)	17,828,474
Trucks/bakkies	337,000	-	-	-	337,000	(14,740,934)	(2,315,042)	-	(17,055,975)	265,677
Tractors	-	33,359	-	-	33,359	(37,531)	(33,792)	-	(71,323)	33,357
	183,383,452	40,122,505	35,987,313	(10,713,344)	248,779,927	(84,299,154)	(16,814,628)	-	(101,113,782)	147,666,145
HERTAGE										
Library Books	143,945	-	-	-	143,945	-	-	-	-	143,945
	143,945	-	-	-	143,945	-	-	-	-	143,945
	3,312,019,381	100,923,062	82,911,980	31,175,694	3,527,030,118	(477,911,929)	(103,704,516)	-	(581,616,445)	2,945,413,673

ANALYSIS OF PROPERT PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Cost /Revaluation Under construction					Accumulated Depreciation				Carrying value
	Opening Balance	Additions		Movements	Closing Balance	Opening Balance	Additions	Movements	Closing Balance	
INTANGIBLE ASSETS										
Housing Database	199,071	-		1,010,250	1,209,321	(6,654)	(6,654)	(905)	(14,213)	1,195,108
	199,071	-	-	1,010,250	1,209,321	(6,654)	(6,654)	(905)	(14,213)	1,195,108

Investment Property

Investment Buildings	38,250,000	-			38,250,000	-				38,250,000
Investment Property	485,075,000	-		5,455,075	490,530,075	-				490,530,075
	523,325,000	-	-	5,455,075	528,780,075	-	-	-	-	528,780,075

Non Current Assets Held for Sale

Non current assets held for sale	65,000	-		(55,005)	9,095	-	-	-	-	9,095
	65,000	-	-	(55,905)	9,095	-	-	-	-	9,095

3,835,608,452	100,923,062	82,911,980	37,585,114	4,057,028,608	(477,918,583)	(103,711,170)	(905)	(581,630,658)	3,475,397,951
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* Note - Additions as per Appendix B

Additions
Under Construction

100,923,062
82,911,980
183,835,042

* Note - Additions consist of the following

Capital Expenditure
Donated Assets

173,155,183
10,680,013
183,835,196

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Opening Balance	Additions	Cost / Revaluation Under			Closing Balance	Opening Balance	Accumulated Depreciation / Impairment Revaluation			Closing Balance	Carrying Value R
			Construction	Transfers	Movements			Movements	Reversal	Movements		
Executive and Council	15,836,724	14,842	-	-	-	15,851,566	(7,264,373)	(646,635)	-	-	(7,911,008)	7,940,558
Executive & Council	-	-	-	-	-	-	-	-	-	-	-	-
Municipal Manager	1,208,921	14,842	-	-	-	1,223,763	(489,706)	(155,904)	-	-	(645,610)	578,153
Council General	11,849,335	-	-	-	-	11,849,335	(6,204,932)	(304,437)	-	-	(6,509,369)	5,339,967
Integrated Development Plan	1,048,960	-	-	-	-	1,048,960	(194,386)	(37,479)	-	-	(231,864)	817,096
Strategic Services General	1,729,508	-	-	-	-	1,729,508	(375,349)	(148,816)	-	-	(524,165)	1,205,343
Finance and Administration	25,463,360	1,746,554	-	-	-	27,209,913	(12,367,503)	(3,147,128)	-	-	(15,514,631)	11,695,282
Finance & Administration	6,418,704	58,160	-	-	-	6,476,864	(5,204,141)	(362,734)	-	-	(5,566,875)	909,989
Stores	201,702	-	-	-	-	201,702	(131,787)	(18,890)	-	-	(150,678)	51,024
IT Section Personnel	3,501,773	1,678,422	-	-	-	5,180,196	(830,882)	(952,656)	-	-	(1,783,538)	3,396,657
Services Corporate Services	1,019,149	9,971	-	-	-	1,029,120	(335,609)	(174,478)	-	-	(510,087)	519,033
General Liaison Services	-	-	-	-	-	-	-	-	-	-	-	-
Printing Section	7,827,272	-	-	-	-	7,827,272	-	-	-	-	-	2,846,756
Administration Stellenbosch	217,763	-	-	-	-	217,763	(3,731,439)	(1,249,077)	-	-	(4,980,516)	73,001
Administration Franschhoek	5,153,277	-	-	-	-	5,153,277	(112,464)	(32,299)	-	-	(144,762)	3,237,981
-	1,123,720	-	-	-	-	1,123,720	(1,622,215)	(293,081)	-	-	(1,915,296)	660,841
-	-	-	-	-	-	-	(398,966)	(63,913)	-	-	(462,879)	-
Planning and Development	69,215,047	92,382	755	-	-	69,308,184	-	-	-	-	-	52,352,792
Planning & Development	8,260,765	92,382	755	-	-	8,353,902	(15,313,670)	(1,641,722)	-	-	(16,955,392)	6,642,769
Town Planning	2,289,021	-	-	-	-	2,289,021	(956,047)	(755,086)	-	-	(1,711,133)	727,999
Town Development	57,266,341	-	-	-	-	57,266,341	(1,277,179)	(283,843)	-	-	(1,561,022)	44,255,318
Building Control	629,921	-	-	-	-	629,921	(12,496,992)	(514,031)	-	-	(13,011,023)	22,136
Property Management	768,998	-	-	-	-	768,998	(572,672)	(35,114)	-	-	(607,786)	704,570
-	-	-	-	-	-	-	(10,780)	(53,648)	-	-	(64,428)	-
Health	15,385,827	100,620	-	-	-	15,486,447	-	-	-	-	-	10,884,738
Health General Aan-	8,135,368	-	-	-	-	8,135,368	-	-	-	-	-	4,836,720
het-pad Clinic	139,595	-	-	-	-	139,595	(4,371,755)	(229,954)	-	-	(4,601,709)	109,594
Kayamandi Clinic	1,048,598	-	-	-	-	1,048,598	(3,298,649)	-	-	-	(3,298,649)	815,390
Victoria Street Clinic	233,484	-	-	-	-	233,484	-	-	-	-	-	148,520
Kylemore Clinic	-	-	-	-	-	-	(30,000)	-	-	-	(30,000)	-
Klapmuts Clinic	709,527	-	-	-	-	709,527	(213,918)	(19,289)	-	-	(233,208)	894,986
Stellenbosch Cemetery	5,102,660	100,620	-	-	-	5,203,280	(84,963)	-	-	-	(84,963)	4,079,527
Franschhoek Cemetery	16,595	-	-	-	-	16,595	-	-	-	-	-	-
-	-	-	-	-	-	-	185,459	-	-	-	185,459	-
Community and Social Services	3,778,750	1,106,188	-	-	-	4,884,938	(15,799)	(796)	-	-	(16,595)	2,828,278
Director Community	1,321,101	86,314	-	-	-	1,407,416	(913,884)	(209,869)	-	-	(1,123,753)	954,702
Director Social Services	83,050	-	-	-	-	83,050	(15,799)	(796)	-	-	(16,595)	23,015
Rhenish Complex	118,499	-	-	-	-	118,499	(1,458,287)	(598,373)	-	-	(2,056,660)	90,924
Plein Street Library	1,407,743	352,216	-	-	-	1,759,959	(188,207)	(264,507)	-	-	(452,714)	898,770
Idas Valley Library	203,914	7,466	-	-	-	211,379	(45,519)	(14,516)	-	-	(60,036)	103,304
Cloetesville Library	149,741	600,729	-	-	-	750,470	(27,575)	-	-	-	(27,575)	596,825
Kayamandi Library	120,232	2,514	-	-	-	122,747	(705,822)	(155,367)	-	-	(861,189)	19,977
Pniel Library	81,954	18,938	-	-	-	100,892	(90,841)	(17,234)	-	-	(108,075)	35,684
Franschhoek Library	292,516	38,011	-	-	-	330,527	(79,934)	(73,711)	-	-	(153,645)	105,078
-	-	-	-	-	-	-	(83,504)	(19,266)	-	-	(102,770)	-

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Opening Balance	Additions	Cost / Revaluation Under			Closing Balance	Opening Balance	Accumulated Depreciation / Impairment Revaluation			Closing Balance	Carrying Value R
			Construction	Transfers	Movements			Movements	Reversal	Movements		
Social & Human Development						-					-	-
Special Fund: Dilbeeck						-					-	-
Housing	38,438,583	799,000	18,612,985	-	-	57,850,568	(14,170,326)	(775,914)	-	-	(14,946,240)	42,904,328
Flats	113,834			-	-	113,834	(33,834)	(13,370)	-	-	(47,204)	66,630
Housing General	30,953,634	799,000	18,612,985	-	-	50,365,619	(13,252,726)	(280,050)	-	-	(13,532,776)	36,832,843
Housing Special Projects	7,371,115			-	-	7,371,115	(883,766)	(482,495)	-	-	(1,366,260)	6,004,854
Public Safety	52,247,573	1,385,190	279,705	-	-	53,912,468	(18,265,167)	(2,957,996)	-	-	(21,223,162)	32,689,306
Director Public Safety	1,732,264	32,991		-	-	1,765,255	(269,550)	(299,063)	-	-	(568,613)	1,196,642
Fire Services	9,378,553	1,092,697	279,705	-	-	10,750,955	(6,116,638)	(390,356)	-	-	(6,506,994)	4,243,961
Disaster Management	3,190,855			-	-	3,190,855	(1,921,567)	(251,233)	-	-	(2,172,800)	1,018,055
Security	23,519,748	34,469		-	-	23,554,217	(4,682,487)	(1,311,572)	-	-	(5,994,059)	17,560,158
Town Hall Plain Street	674,964	49,964		-	-	724,929	(571,781)	(35,094)	-	-	(606,875)	118,054
Eikestad Hall	90,242			-	-	90,242	(66,427)	(9,243)	-	-	(75,670)	14,572
Community Hall Pniel	23,175			-	-	23,175	(18,157)	(4,054)	-	-	(22,211)	964
	77,801			-	-	77,801	(57,573)	(12,882)	-	-	(70,455)	7,346
Community Centre Groendal	336,621			-	-	336,621	(121,576)	(11,210)	-	-	(132,786)	203,834
Town Hall Franschhoek	791,606			-	-	791,606	(644,487)	(72,641)	-	-	(717,128)	74,479
Licencing	11,784,288	175,068		-	-	11,959,356	(3,793,267)	(560,634)	-	-	(4,353,901)	7,605,455
Traffic Control	647,456			-	-	647,456	(1,656)	(14)	-	-	(1,670)	645,786
Parking Areas												
	73,725,139	3,019,044	80,440	-	-	76,824,623	(15,845,329)	(2,937,020)	-	-	(18,782,350)	58,042,273
Sport and Recreation	248,878	5,800	-	-	-	254,678	(192,959)	(17,223)	-	-	(210,182)	44,496
Environment & Recreation	270,177			-	-	270,177	(261,523)	(5,371)	-	-	(266,894)	3,283
Workshop	13,709,667	1,873,579	80,440	-	-	15,663,686	(6,677,652)	(667,869)	-	-	(7,345,521)	8,318,165
Parks Stellenbosch	2,128,693			-	-	2,128,693	(577,126)	(29,426)	-	-	(606,552)	1,522,141
Parks Franschhoek	401,829			-	-	401,829	(100,047)	(33,623)	-	-	(133,671)	268,158
Street Trees	1,309,975	714,655		-	-	2,024,630	(78,228)	(118,819)	-	-	(197,047)	1,827,583
Street Beautification	1,110,135			-	-	1,110,135	(512,519)	(9,232)	-	-	(521,751)	588,384
Nursery		82,350		-	-	82,350		(13,182)	-	-	(13,182)	69,168
Commonage & Plantations	540,140			-	-	540,140	(155,022)	(38,804)	-	-	(193,825)	346,314
Jan Marias Nature Reserve	332,723	13,156		-	-	345,879	(64,670)	(42,660)	-	-	(107,330)	238,549
Jonkershoek Picnic Site	43,840,716	185,230		-	-	44,025,946	(4,084,334)	(1,646,222)	-	-	(5,730,556)	38,295,390
Van der Stel Sport	460,652	-		-	-	460,652	(130,780)	(20,502)	-	-	(151,282)	309,370
Idas Valley Sport	603,954			-	-	603,954	(494,367)	(5,855)	-	-	(500,223)	103,731
Cloetessville Sport	271,732			-	-	271,732	(100,959)	(2,970)	-	-	(103,929)	167,803
Swimming Pool Cloetessville	1,923,669			-	-	1,923,669	(247,273)	(16,360)	-	-	(263,633)	1,660,036
Kayamandi Sport	1,707,385			-	-	1,707,385	(242,919)	(143,784)	-	-	(386,704)	1,320,681
Kylemore Sport	1,336,522			-	-	1,336,522	(617,741)	(7,469)	-	-	(625,210)	711,312
Klapmuts Sport	1,206,964	144,274		-	-	1,351,238	(515,189)	(42,439)	-	-	(557,628)	793,610
Jamestown Sport	692,551			-	-	692,551	(331,791)	(43,705)	-	-	(375,496)	317,055
Pniel Sport	10,978	-		-	-	10,978	(10,218)	(15,907)	-	-	(26,125)	(15,147)
Groendal Sport	1,617,798			-	-	1,617,798	(450,011)	(15,598)	-	-	(465,608)	1,152,190
Raithby Sport												

SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2012

Description	Opening Balance	Additions	Cost / Revaluation Under			Closing Balance	Opening Balance	Accumulated Depreciation / Impairment Revaluation			Closing Balance	Carrying Value R
			Construction	Transfers	Movements			Movements	Reversal	Movements		
Environmental Protection	313,057,542	2,353,347	49,687,990	-	-	365,098,879	(86,830,307)	(12,353,073)	-	-	(99,183,380)	265,915,499
Market	46,862,994			-	-	46,862,994	(6,702,321)		-	-	(6,702,321)	40,160,674
Refuse Removal	37,804,517	1,663,200	13,503,198	-	-	52,970,915	(10,399,836)	(3,469,181)		-	(13,869,016)	39,101,899
Dumping Site	1,093,983			-	-	1,093,983	(259,326)	(41,367)		-	(300,693)	793,290
Cleaning of Streets	4,047,300			-	-	4,047,300	(673,427)	(702,964)		-	(1,376,391)	2,670,910
Public Facilities	14,566,695			-	-	14,566,695	(6,447,208)			-	(6,447,208)	8,119,487
Sewerage Purification Stellenbosch	78,620,865			-	-	78,620,865	(26,221,808)	(4,012,574)			(30,234,382)	48,386,483
Sewer Network	121,862,565	690,147	36,184,792	-	-	158,737,505	(33,682,760)	(3,879,169)		-	(37,561,930)	121,175,575
Composting	3,116,550			-	-	3,116,550	(1,753,385)	(105,005)		-	(1,858,391)	1,258,159
Sewerage Purification Franschoek	4,938,867			-	-	4,938,867	(571,707)	(138,371)		-	(710,078)	4,228,789
Sewerage Purification Pniel	143,205			-	-	143,205	(118,529)	(4,443)		-	(122,972)	20,233
Roads and Transport	983,104,095	8,501,802	4,781,247	-	36,004,506	1,032,391,650	(122,827,940)	(33,827,814)	(3,344,225)	-	(159,999,979)	872,391,670
Municipal Buildings	198,181,718	1,199,372	1,359,326	-	36,004,506	236,744,921	(2,972,728)	(271,714)	(3,344,225)	-	(6,588,667)	230,156,254
Engineering Services General	1,364,021	465,426				1,829,447	(365,310)	(167,471)		-	(532,781)	1,296,666
Workshop	1,650					1,650	(1,483)	(167)		-	(1,650)	-
Roads	699,950,183	5,610,623	3,421,921			708,982,727	(105,242,272)	(29,321,337)		-	(134,563,609)	574,419,118
Sidewalks	39,966,272	1,043,806				41,010,078	(6,966,545)	(2,602,006)		-	(9,568,552)	31,441,526
Stormwater	43,640,251	182,575				43,822,827	(7,279,601)	(1,465,120)		-	(8,744,721)	35,078,106
Water	382,494,424	35,835,646	5,379,903	-	2,564,750	426,274,722	(119,926,258)	(13,339,982)	-	-	(133,266,240)	293,008,482
Water Network	289,858,041	35,835,646	3,703,477	-	2,564,750	331,961,914	(89,813,512)	(9,377,286)		-	(99,190,798)	232,771,116
Reservoirs & Supply Lines	72,911,867	-	1,676,426	-	-	74,588,293	(14,137,658)	(3,610,581)		-	(17,748,238)	56,840,054
Purification Idas Valley	15,078,746			-	-	15,078,746	(14,426,088)	(9,330)		-	(14,435,418)	643,328
Purification Paradyskloof	2,320,980	-		-	-	2,320,980	(1,372,416)	(239,445)		-	(1,611,862)	709,118
Purification Franschoek	2,324,790	-		-	-	2,324,789	(176,585)	(103,340)		-	(279,925)	2,044,864
	1,613,141,822	45,745,274	4,089,110	-	2,564,749	1,665,540,955	(42,045,002)	(24,080,584)	-		(66,125,586)	1,599,415,370
Electricity	1,613,141,822	45,745,274	4,089,110	-	2,564,749	1,665,540,955	(42,045,002)	(24,080,584)	-		(66,125,586)	1,599,415,370
Electricity	3,585,888,887	100,699,889	82,912,134	-	41,134,005	3,810,634,913	(460,685,917)	(96,536,196)	(3,344,225)	-	(560,566,338)	3,250,068,576

* Note - Additions as per Appendix C

Additions
Under Construction

100,699,889
82,912,134
183,612,023

* Note - Additions consist of the following

Capital Expenditure
Donated Assets

173,155,183
10,680,013
183,835,196

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Vote Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
-	-	1 769 654	3 116 271	(1 769 654)	Internal Audit	1105	-	-	1 138 936	3 072 131	(1 138 936)
-	-	1 661 597	3 188 251	(1 661 597)	Liaison Executive	1111	-	-	2 031 031	4 123 280	(2 031 031)
-	-	-	-	-	Policy and Research	1115	-	-	-	-	-
-	-	-	-	-	Soccer World Cup 2010	1110	-	-	-	-	-
-	-	2 357 053	2 371 969	(2 357 053)	Secretariate and Administration	7710	-	-	2 478 087	2 618 368	(2 478 087)
694	-	10 477 952	5 439 738	(10 477 258)	Legal Services	7720	149 394	800	10 250 589	10 802 166	(10 101 195)
694	-	18,346,792	18,030,329	(18,346,098)	MUNICIPAL MANAGER		149,394	800	17,445,242	21,853,165	(17,295,848)
-	-	-	-	-			-	-	-	-	-
1,686,498	-	4,727,477	2,957,687	(3,040,978)	Planning and Development	2200	-	-	4,780,222	2,874,336	(4,780,222)
3,828,423	2,799,251	6,071,717	5,778,915	(2,243,294)	Building Control	2205	3,161,912	2,720,512	5,934,873	5,547,370	(2,772,962)
152,122	161,310	4,511,380	4,999,276	(4,359,258)	Town Planning	2210	196,076	161,310	4,858,246	5,265,220	(4,662,169)
-	-	584 794	2 581 960	(584 794)	Town Development	2230	-	-	514 031	2 634 690	(514 031)
23 151	-	477 517	1 231 356	(454 366)	Property Management	2235	2 499 856	4 562 625	1 665 670	1 199 926	834 185
20 388 194	20 586 885	21 121 257	23 091 495	(733 063)	Integrated Human Settlements	3780	19 419 372	22 308 578	9 390 254	10 126 571	10 029 117
-	-	3 080 530	3 957 372	(3 080 530)	New Housing	3783	-	-	3 610 484	-	(3 610 484)
-	-	1 927 088	5 000 310	(1 927 088)	Housing Special Projects	3784	-	-	1 335 197	-	(1 335 197)
3 607 773	3 360 776	7 273 547	6 763 854	(3 665 774)	Housing Administration	3781	3 915 835	3 586 344	7 735 146	7 065 454	(3 819 310)
801 088	805 240	832 965	805 240	(31 877)	Maintenance: Scheme Houses	3577	1 212 774	828 030	1 359 195	1 198 030	(146 421)
-	-	13 581 975	13 489 288	(13 581 975)	Municipal Buildings	6220	-	-	14 280 565	15 160 959	(14 280 565)
-	-	931 795	678 690	(931 795)	Administration Stellenbosch	7805	-	-	642 771	889 930	(642 771)
-	-	216 910	115 471	(216 910)	Administration Franschhoek	7806	-	-	121 745	167 290	(121 745)
4 587 902	5 042 107	1 302 037	5 329 680	3 285 865	Housing Schemes	Various	4 847 523	5 373 798	789 422	8 265 270	4 058 101
41 749	-	41 749	-	-	Growth Management Strategy	9914	-	-	-	-	-
-	55 161	-	55 161	-	Special Fund Housing Consumers	9922	-	68 010	-	68 010	-
-	-	-	-	-	Project Management Unit	9917	-	-	-	-	-
35,116,901	32,810,730	66,682,737	72,335,755	(31,565,837)	PLANNING & DEVELOPMENT SERVICES		35,253,348	39,609,207	57,017,822	60,463,056	(21,764,473)
74,240	-	325,971	422,660	(251,731)	Community Services General	3111	-	-	1,001,184	2,852,463	(1,001,184)
-	-	2 300 652	2 063 124	(2 300 652)	Community Services Director	3112	-	-	1 363 878	-	(1 363 878)
-	-	1 632 798	2 122 206	(1 632 798)	Social and Human Development	3113	-	-	2 923 601	2 305 095	(2 923 601)
-	-	35 867	42 740	(35 867)	Stellenbosch Youth Council	3114	-	-	29 512	42 740	(29 512)
-	-	1 903 880	1 893 335	(1 903 880)	Forestry Parks & Recreation	3300	-	-	2 275 404	2 051 161	(2 275 404)
-	-	407 522	360 686	(407 522)	Workshop	3301	-	-	581 819	396 400	(581 819)
49 018	16 283	8 417 018	6 851 269	(8 368 000)	Parks & Sidewalks Stellenbosch	3305	13 096	506 845	6 958 959	7 670 732	(6 945 863)
-	375 830	2 240 410	2 210 033	(2 240 410)	Parks & Sidewalks Franschhoek	3306	-	375 830	1 986 375	2 388 393	(1 986 375)
-	-	1 627 155	1 505 981	(1 627 155)	Street Trees	3310	-	-	1 833 594	1 621 492	(1 833 594)
-	-	2 044 220	1 798 883	(2 044 220)	Street Beautification	3311	-	-	2 354 617	1 997 046	(2 354 617)
-	-	772 460	836 851	(772 460)	Nursery	3315	-	-	819 423	889 631	(819 423)
1 472 950	3 375 715	2 333 843	1 660 524	(860 893)	Commonane & Plantations	3320	69 240	-	2 307 921	1 741 846	(2 307 921)
11 244	1 620	617 638	448 555	(606 394)	Jan Marais Nature Reserve	3325	11 105	2 293	709 141	493 892	(698 036)
217 328	30 716	177 838	145 564	39 490	Innkershoek Picnic Site	3330	268 283	145 762	203 434	166 420	64 850
-	-	2 524	2 990	(2 524)	Dwarsrivier Picnic Site	3331	-	-	2 045	2 990	(2 045)
894 432	-	3 191 936	3 329 098	(2 297 503)	Van der Stel Sport	3340	989 950	-	3 443 513	3 520 006	(2 453 563)
193 445	-	878 238	253 093	(684 793)	Idas Valley Sport	3341	-	-	659 882	248 394	(659 882)
91 041	10 630	724 214	306 746	(633 173)	Cloetesville Sport	3342	-	10 500	979 480	436 173	(979 480)
-	-	13 345	20 350	(13 345)	Golf Club	3343	-	-	274 924	17 159	(274 924)
38 226	37 349	803 179	770 685	(764 953)	Swimming Pool Cloetesville	3344	27 607	35 757	857 791	805 004	(830 185)
195	-	318 856	164 292	(318 661)	Kavamandi Sport	3345	-	-	339 393	224 475	(339 393)
104 141	-	499 929	348 779	(395 788)	Kylemore Sport	3346	-	-	450 127	339 307	(450 127)
195	-	205 651	160 338	(205 456)	Klanmuts Sport	3347	185 760	-	191 881	129 832	(6 121)
195	-	264 580	225 850	(264 385)	Jamestown Sport	3348	-	-	254 779	201 170	(254 779)
195	-	1 160 653	765 682	(1 160 458)	Pniel Sport	3349	-	-	1 164 023	840 480	(1 164 023)
370	-	74 317	51 388	(73 947)	Groendal Sport	3350	317 344	-	69 796	16 487	247 547
30,315	-	355,485	220,173	(325,169)	Raithby Sport	3351	-	-	265,081	214,586	(265,081)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Votes Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
14,279	-	14,177	20,000	102	Health General	3500	-	-	-	-	-
-	-	29,512	40,319	(29,512)	Aan-het-pad Clinic	3505	-	-	25,692	6,810	(25,692)
-	-	49 137	-	(49 137)	Polli Clinic	3506	-	-	8 396	-	(8 396)
-	-	19 237	60 258	(19 237)	Kavamandi Clinic	3507	-	-	19 289	43 380	(19 289)
-	-	-	10 690	-	Victoria Street Clinic	3508	-	-	-	10 910	-
-	-	-	-	-	Familv Planninn	3509	-	-	-	-	-
-	-	-	-	-	Kvlemore Clinic	3510	-	-	-	-	-
-	-	27 534	125 692	(27 534)	Klanmuts Clinic	3511	-	-	-	35 300	-
-	-	-	46 170	-	Dnn & Pat Bilton Clinic	3512	-	-	-	47 100	-
-	-	-	-	-	Aids Clinic	3516	-	-	-	-	-
-	-	-	-	-	TR Clinic	3517	-	-	-	-	-
-	-	126 494	86 448	(126 494)	Groendal Clinic	3518	-	-	85 918	-	(85 918)
-	-	3 183	10 520	(3 183)	Pest Control	3520	-	-	354	620	(354)
653 341	506 054	1 443 735	1 193 410	(790 395)	Stellenbosch Cemetery	3545	602 190	612 732	1 480 602	1 273 019	(878 412)
-	-	95 504	95 394	(95 504)	Pniel Cemetery	3546	-	-	90 001	102 280	(90 001)
53 960	85 030	464 457	493 816	(410 496)	Franschhoek Cemetery	3547	48 017	78 688	519 986	530 220	(471 968)
-	-	193 702	290 516	(193 702)	Rhenish Complex	3742	-	-	334 993	282 340	(334 993)
17 451	16 358	97 700	11 326	(80 249)	Vonmelelen	3743	19 599	17 173	61 190	36 120	(41 590)
113 831	14 395	3 472 071	3 656 119	(3 358 240)	Plein Street Library	3750	126 353	134 336	3 197 200	3 875 618	(3 070 847)
21 946	16 985	738 875	737 615	(716 929)	Idas Valley Library	3751	20 081	23 355	794 721	787 823	(774 640)
19 498	20 992	803 601	766 957	(784 102)	Cloetesville Library	3752	25 729	24 491	873 413	824 234	(847 683)
7 387	2 447	491 352	475 080	(483 965)	Kavamandi Library	3753	10 271	2 541	811 294	510 221	(801 023)
7 884	4 466	604 331	591 739	(596 447)	Pniel Library	3754	11 174	5 149	653 055	637 266	(641 881)
18 434	18 635	744 835	710 469	(726 401)	Franschhoek Library	3755	16 350	20 501	790 187	749 135	(773 837)
-	-	4 528	810	(4 528)	Groendal Library	3756	-	-	1 329	830	(1 329)
272 659	253 574	1 683 679	1 366 353	(1 411 020)	Town Hall Plein Street	5740	226 447	210 473	1 650 081	1 490 771	(1 423 633)
35 596	25 089	353 464	282 015	(317 867)	Eikestad Hall	5741	36 740	24 042	394 168	295 990	(357 428)
2 285	2 020	35 969	101 606	(33 684)	Community Centre Kavamandi	5744	-	2 150	56 227	122 100	(56 227)
-	11,240	-	-	-	Administration Hall Kayamandi	5745	-	11,920	-	-	-
14,220	15,788	31,735	23,481	(17,515)	Admin Buildings & Hall Pniel	5746	21,862	17,219	11,707	24,740	10,155
28 327	33 753	315 316	286 009	(286 989)	Community Centre Groendal	5747	26 612	28 481	344 516	306 880	(317 904)
-	-	14 107	-	(14 107)	Community Hall Groendal	5748	-	-	12 882	-	(12 882)
40 621	67 505	15 066	48 430	25 555	Town Hall Franschhoek	5749	218 932	61 073	11 717	50 750	207 215
3 046	16 860	3 422	18 060	(376)	Community Hall - Kvlemore	5750	6 525	5 250	5 863	19 000	663
10 605	18 689	4 980	21 948	5 626	Community Hall: LA Motte	5751	3 597	14 337	7 951	24 180	(4 354)
10 202	16 860	3 594	21 982	6 607	Community Hall: Wemmershoek	5752	6 105	10 010	-	24 220	6 105
-	-	5 561 140	5 532 779	(5 561 140)	Cleaning of Streets	6540	-	-	5 255 471	6 574 946	(5 255 471)
-	-	2 133 070	2 864 554	(2 133 070)	Public Participation	8116	-	-	698 561	2 228 835	(698 561)
953 899	1 128 489	953 899	1 128 489	-	Special Fund: Library Services	9913	901 169	1 316 108	944 576	1 316 108	(43 408)
85 326	141 250	85 326	141 260	-	Special Fund Dilbeek	9912	58 218	183 280	132 123	183 280	(73 905)
191 904	239 145	191 904	239 145	-	Special Fund CDW Support Grant	9919	125 179	125 241	125 587	125 241	(409)
5,754,232	6,503,767	54,140,812	50,481,334	(48,386,580)	COMMUNITY SERVICES		4,393,536	4,005,537	53,700,628	54,153,641	(49,307,092)
306,712,280	277,700,432	203,268,704	200,279,181	103,443,576	Electrical Engineering Services	4400	347,019,078	337,187,486	246,297,040	260,928,600	100,722,038
-	-	4 811 753	4 547 900	(4 811 753)	Electrical Engineering Client Services	4410	-	-	5 749 567	6 225 933	(5 749 567)
-	-	47 905 668	45 018 725	(47 905 668)	Electrical Engineering System Operations	4420	-	-	54 363 843	47 881 987	(54 363 843)
-	-	1 476 479	2 110 530	(1 476 479)	Public Facilities	6515	-	-	1 697 098	2 095 429	(1 697 098)
236,504	178,602	-	2,344,500	236,504	Market	6525	-	197,177	-	2,391,459	-
-	-	5,909,321	6,079,118	(5,909,321)	Civil Engineers General Services	6600	-	-	7,317,803	8,180,526	(7,317,803)
20 233 339	434 590	35 996 201	37 863 761	(15 762 863)	Roads	6620	15 073 429	13 755 035	40 690 024	40 136 801	(25 616 595)
-	-	4 095 883	3 981 057	(4 095 883)	Sidewalks & Cycle Paths	6621	2 399 800	2 284 811	3 932 509	4 255 626	(1 532 709)
-	-	7 485 183	6 966 224	(7 485 183)	Stormwater	6625	-	-	9 596 971	6 750 902	(9 596 971)
-	-	205 990	200 399	(205 990)	Workshop	6640	-	-	240 264	214 779	(240 264)
89 021 887	62 119 951	48 176 243	50 305 363	40 845 643	Water Network	6650	103 578 901	78 417 960	55 529 975	48 782 203	48 048 926
-	-	9 669 087	10 544 703	(9 669 087)	Reservoirs & Supply Lines	6651	-	-	10 870 411	10 668 530	(10 870 411)
-	-	3,527,284	3,464,141	(3,527,284)	Water Filtration Idas Valley	6652	-	-	4,823,710	3,907,703	(4,823,710)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Vote Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
54 273	-	(24 763)	72 440	79 036	Reservoir & Filtration Franschhoek	6654	-	-	96 990	73 000	(96 990)
37 567 471	33 085 410	18 559 892	22 163 843	19 007 579	Refuse Removal	6530	41 328 704	33 121 341	21 591 674	22 977 981	19 737 030
586 111	601 053	2 065 530	2 820 815	(3 370 428)	Dumping Site	6535	2 171 068	650 020	6 712 150	2 602 000	(4 541 082)
-	4,082	1,702,588	1,738,770	(1,702,588)	Klapmuts Transfer Station	6536	4,050	2,477	1,609,947	1,621,270	(1,605,897)
54 279 715	52 382 700	18 395 086	24 589 373	35 884 629	Sewerage Purification Stellenbosch	6605	61 859 246	68 898 595	25 425 688	26 702 772	36 433 558
6 401 157	57 359	15 451 439	16 242 375	(9 050 282)	Sewerage Network	6606	17 233 687	7 769 332	19 620 354	18 277 781	(2 386 667)
58 490	20 426	1 298 937	1 605 546	(1 240 447)	Composting	6607	-	28 630	1 715 023	1 693 404	(1 715 023)
-	-	249 419	269 903	(249 419)	Sewerage Purification Klapmuts	6608	-	-	246 108	268 243	(246 108)
-	-	1 131 655	1 302 878	(1 131 655)	Sewerage Purification Franschhoek	6609	-	-	1 243 364	1 212 851	(1 243 364)
-	-	857 144	1 013 336	(857 144)	Sewerage Purification Pniel	6610	-	-	959 869	1 000 020	(959 869)
-	-	596 734	835 995	(596 734)	Sewerage Purification Ruitersdorp	6611	-	-	649 506	913 891	(649 506)
515,151,227	426,675,505	437,304,479	450,348,322	77,846,748	Special Fund Asset Val (Red)		590,667,963	542,313,764	523,712,732	523,872,324	66,955,231
ENGINEERING SERVICES											
-	-	3,752,141	4,362,523	(3,752,141)	Public Safety General	5111	-	-	4,435,619	4,956,595	(4,435,619)
48,401	13,970	16,698,180	16,192,996	(16,649,779)	Fire Services	5120	38,685	49,227	17,024,822	16,823,950	(16,986,137)
5,329,385	5,054,103	4,035,143	4,729,863	1,294,242	Traffic Services Licencing	5140	5,989,499	6,049,506	3,998,447	4,486,676	1,991,053
14,037,967	12,911,353	25,682,860	26,796,414	(11,644,894)	Traffic Control	5141	10,958,208	15,771,315	25,365,916	26,653,133	(14,407,708)
1,003,027	4,365,851	1,010,055	1,495,995	(7,029)	Parking Areas	5142	966,423	1,314,000	1,086,689	1,594,360	(120,267)
-	-	985,309	153,621	(985,309)	Disaster Management	5705	-	-	501,858	44,504	(501,858)
1,228	-	4,123,706	5,414,605	(4,122,478)	Security	5710	-	-	6,769,099	6,570,770	(6,769,099)
-	-	341,623	456,787	(341,623)	Occupational Safety	5715	-	-	58,313	491,160	(58,313)
181,886	-	181,886	-	-	Community Safety Projects: Contract Law	9923	500,000	500,000	500,000	500,000	-
20,601,894	22,345,277	56,810,903	59,602,804	(36,209,009)	PUBLIC SAFETY		18,452,815	23,684,048	59,740,763	62,121,148	(41,287,947)
-	-	534	12,840	(534)	Client Services and Innovations	5739	-	-	-	-	-
312,496	-	4,670,750	2,789,960	(4,358,255)	Corporate Services General	7111	313,489	-	4,518,289	3,140,246	(4,204,800)
-	-	3,559,083	4,161,191	(3,559,083)	Human Resources Services	7180	2,632	-	2,149,181	4,305,766	(2,146,549)
-	-	2,073,114	667,755	(2,073,114)	Documentation and Land Management	7700	-	-	1,653,095	894,808	(1,653,095)
-	-	23,501	512,400	(23,501)	Liaison Services	7770	-	-	109,238	451,998	(109,238)
-	-	233,453	24,446	(233,453)	Printing Section	7790	-	-	402,598	28,482	(402,598)
1,152,759	1,109,676	9,712,654	7,820,724	(8,559,896)	Council General Expenses	7800	241,521	312,443	28,112,885	24,295,743	(27,871,363)
-	-	145,604	22,990	(145,604)	Council Deputy Mayor's office	7801	-	-	12,621	22,990	(12,621)
10,969	-	3,950,271	4,852,060	(3,939,302)	Council Donations	7802	-	-	5,085,882	5,504,270	(5,085,882)
-	-	39,456	87,530	(39,456)	Council Speaker's Office	7803	-	-	63,033	287,603	(63,033)
-	-	1,118,766	1,167,309	(1,118,766)	Council Mayor's Office	7804	-	-	327,642	744,609	(327,642)
-	-	24,854	247,374	(24,854)	IDP & Strategic Programs	8110	-	-	281,874	488,750	(281,874)
-	-	960,568	623,672	(960,568)	Strategic Services: General	8115	-	-	644,807	625,664	(644,807)
-	-	673,014	235,760	(673,014)	Communication Services	8117	-	-	784,990	253,480	(784,990)
-	6,660	2,046,641	2,213,104	(2,046,641)	Local Economic Development	8120	-	-	2,242,800	2,692,700	(2,242,800)
69,995	-	848,493	1,052,709	(778,498)	Kayamandi Economic Tourism Corridor	8125	231,510	218,130	929,140	762,000	(697,630)
-	2,247,200	-	2,247,200	-	Special Fund Leave Gratification	9902	-	2,382,040	-	2,382,040	-
258,166	1,120,200	266,946	1,120,200	(8,780)	Special Fund LWGSETA Training	9909	504,405	1,220,427	506,271	1,220,427	(1,866)
-	-	-	-	-	Special Fund Leuven Study Grant	9915	-	-	-	-	-
-	-	-	-	-	NI DTF Remuneration	9916	-	-	-	-	-
-	-	-	-	-	Council Unallocated	9803	-	-	-	-	-
1,804,384	4,483,736	30,347,702	29,859,224	(28,543,318)	CORPORATE SERVICES		1,293,557	4,133,040	47,824,347	48,101,576	(46,530,789)
210,955,830	190,706,300	55,848,255	23,060,149	155,107,575	Financial Services General	9900	223,255,299	205,767,592	28,422,579	24,089,620	194,832,720
-	-	2 804 664	3 418 237	(2 804 664)	Information Technology	9910	-	-	2 338 783	4 546 704	(2 338 783)
1 803	6 710	(782 822)	352 519	784 626	Stores	9920	-	7 120	(893 930)	400 121	893 930
142,184	134,741	60,312	67,550	81,872	Supply Chain Management Unit	9921	141,566	142,825	53,782	67,550	87,784
16,495,661	36,784,006	9,995,462	36,784,006	6,500,198	Special Fund Masakhane	3782	10,884,137	36,977,000	11,022,212	36,977,000	(138,076)

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2012

2011 Actual Income R	2011 Budgeted Income R	2011 Actual Expenditure R	2011 Budgeted Expenditure R	2011 Surplus/ (Deficit) R	Description	Vote Number	2012 Actual Income R	2012 Budgeted Income R	2012 Actual Expenditure R	2012 Budgeted Expenditure R	2012 Surplus/ (Deficit) R
-	-	249,401	1,410,080	(249,401)	Special Fund Self-Insurance	9905	-	-	360,307	786,480	(360,307)
679,656	706,008	682,205	706,008	(2,549)	Special Fund Municipal Systems Improvements	9906	785,344	790,000	790,446	790,000	(5,102)
1,013,303	1,050,588	1,013,973	1,050,588	(670)	Special Fund Financial Management Grant	9911	1,236,697	1,250,000	1,268,942	1,250,000	(32,245)
229,288,437	229,388,353	69,871,449	66,849,137	159,416,988	FINANCIAL SERVICES		236,303,042	244,934,537	43,363,120	68,907,565	192,939,922
807,717,770	722,207,368	733,504,880	747,506,905	74,212,894	Sub - Total		886,513,657	858,680,933	802,804,655	839,472,475	83,709,003
-	-	3,317	-	(3,317)	Loss on disposal of Assets		-	-	-	-	-
4,795,074	-	-	-	4,795,074	Fair value adjustments		5,450,107	-	-	-	5,450,107
265,617	-	-	-	265,617	Gain on biological assets and agricultural produce		194,464	1,155,000	-	-	194,464
					Inventories: (Write-down)/reversal of write-down to						
-	-	121,481	-	(121,481)	net realisable value		-	-	1,230	7,300	(1,230)
812,778,459	722,207,368	733,629,672	747,506,905	79,148,788	Surplus for the year		892,158,228	859,835,933	802,805,885	839,479,775	89,352,343

Stellenbosch Municipality

Appendix E (1) for the year ended 30 June 2012

ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual R	2011/2012 Budget R	2011/2012 Variance R	2011/2012 Variance %	Explanation of Significant Variances greater than 10% versus Budget
REVENUE					
Property Rates	189,497,264	183,197,490	6,299,774	3.44%	
Service Charges	506,102,291	479,009,547	27,092,744	5.66%	
Property Rates - Penalties imposed and collection charges	2,918,845	3,478,086	(559,241)	-16.08%	Increased payment rate and arrangements made resulted in less penalties imposed.
Rental of Facilities and Equipment	11,706,102	13,235,695	(1,529,593)	-11.56%	Less income generated as envisaged.
Interest Earned - Outstanding debtors	4,035,042	3,568,508	466,534	13.07%	
Income for Agency Services	1,185,535	1,116,593	68,942	6.17%	
Fines	11,133,590	16,474,341	(5,340,751)	-32.42%	Less income realised due to reduction of fine amounts granted by the courts.
Licences and Permits	4,821,179	4,482,675	338,504	7.55%	
Government Grants and Subsidies	112,239,365	122,645,227	(10,405,862)	-8.48%	
Other Income	19,382,259	12,880,967	6,501,292	50.47%	Inclusion of Own Revenue: VAT (MIG) as allowed.
Interest Received - Investments	23,492,185	18,591,804	4,900,381	26.36%	management, therefore interest received was also more than anticipated.
Total Revenue	886,513,657	858,680,933	27,832,724		Investment portfolio grew more than anticipated due to rigorous cashflow
EXPENDITURE					
Employee Related Costs	226,458,966	231,532,964	(5,073,998)	-2.19%	
Remuneration of Councillors	12,125,389	12,249,421	(124,032)	-1.01%	
Contributions to/(transfers from) Provisions	23,448,809	24,779,870	(1,331,061)	-5.37%	
Depreciation and Amortisation	103,711,325	111,680,710	(7,969,385)	-7.14%	
Finance Cost	6,344,344	7,400,278	(1,055,934)	-14.27%	Underspending as a result of the underspending on the capital budget.
Debt Impairment	19,397,224	9,568,748	9,828,476	102.71%	Financial entires in accordance with accounting standards.
Collection Costs	656,654	742,870	(86,216)	-11.61%	Underspending due to amount of cases handed over to the service provider.
Repairs and Maintenance	49,515,916	58,069,362	(8,553,446)	-14.73%	Underspending due to increased capital investment in essential main infrastructure.
Bulk Purchases	216,533,944	223,269,362	(6,735,418)	-3.02%	Decrease in projected pre-paid sales impacted on bulk electricity purchases.
Contracted Services	7,842,408	10,087,576	(2,245,168)	-22.26%	Decreased spending due to streamlining of leases for office equipment.
Grants and Subsidies Paid	300,123	692,360	(392,237)	-56.65%	
General Expenses	136,469,553	149,398,954	(12,929,401)	-8.65%	
Total Expenditure	802,804,655	839,472,475	(36,667,820)		
Loss on disposal of assets and liabilities	-	-	-		
Profit / (loss) on fair value adjustment	5,450,107	1,155,000	4,295,107		
Gain (loss) on biological assets and agriculture produce	194,464	-	194,464		
Inventories: (Write-down) / reversal of write-down to net realisable value	(1,230)	(7,300)	6,070		
NET SURPLUS FOR THE YEAR ENDING 30 JUNE 2012	89,352,343	20,356,158	68,996,185		

Stellenbosch Municipality

Appendix E (2) for the year ended 30 June 2012

**APPENDIX E(2) STELLENBOSCH
MUNICIPALITY**
ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT) FOR THE YEAR ENDED 30 JUNE 2012

Description	2011/2012 Actual	2011/2012 Under Construction	2011/2012 Total Additions	2011/2012 Budget	2011/2012 Variance	2011/2012 Variance	Explanation of Significant Variances greater than 5% versus Budget
	R	R	R	R	R	%	
Executive & Council Budget and Treasury Office	14,842 875,321	- -	14,842 875,321	60,000 890,000	(45,158) (14,679)	- -2%	
Corporate Services	6,916,330	1,359,326	8,275,657	9,169,056	(893,399)	-10%	Underspending on various ward projects. Underspending on pj 09-2147 Structural maintenance & improvements: Historic Buildings due to certain envisaged activities that was classified as operational. Underspending on pj 09-2148 Mooiwater Youth Centre as project is on hold. The envisaged centre will be included in a large project for the area.
Community & Social Services	1,085,660	80,440	1,166,100	1,090,825	75,275	7%	Underspending on pj 10-0002a Street Furniture (ward project) due to a similar project funded from the directorate's normal capital budget. Underspending on pj 04-0091 Cemeteries: Global due to delayed rezoning to obtain additional space for cemeteries. Underspending on pj 08-0178 Extensions of cemeteries infrastructure due to delayed rezoning to obtain additional space for cemeteries.
Sport & Recreation	5,929,923	-	5,929,923	5,969,851	(39,928)	-1%	
Public Safety	1,755,170	280,460	2,035,630	2,076,700	(41,070)	-2%	Underspending on pj 09-2137 Housing:Vlottenburg Longlands due to the non approval of the N6 funding application. Project is multi-year and linked to the PHE allocation of 2012/2013. Underspending on pj 09-0072 Upgrading of Services: Langrug as a result of slow implementation due to extended water monitoring and land surveying. Underspending on pj 09-2237 Basic Services: Insitu Upgrading due to the late authorisation of the MOU.
Housing	3,741,235	18,612,985	22,354,220	26,963,736	(4,609,516)	-17%	Underspending on pj 09-0063 Creation of Housing Demand Database as a result of software integration challenges outside of the control of the department.
Planning and Development	92,382	-	92,382	220,000	(127,618)	-58%	Underspending on pj 07-0144 Markotter - University 66kV cable due to a court case. This was resolved, settled out of court and the project will proceed in the new financial year.
Road Transport	24,260,711	3,421,921	27,682,632	27,676,082	6,550	0%	Underspending on pj 09-2238 Reservoir: Paradyskloof. Project is multi-year and linked to the external loan allocation of 2012/2013. Underspending on pj 09-0165 Reservoir. Project is multi-year and linked to the external loan allocation of 2012/2013. Both unspent portions will be rolled over as allowed in the MFMA.
Electricity	24,019,644	4,089,110	28,108,754	33,877,848	(5,769,094)	-17%	Underspending on pj 09-0173 Upgrade Waste Water Treatment Works Wemmershoek due to a delay in the appointment of contractors as a result of alternative proposals regarding in escalation and appeal from tenderer.
Water	10,560,899	5,379,903	15,940,801	17,416,593	(1,475,792)	-8%	Underspending on the Extension of Stellenbosch Waste Water Treatment Works.
	90,243,050	82,912,134	173,155,183	210,103,557	(36,948,374)	-18%	Spending on pj 07-0101b Refuse Disposal Site - New Cell delayed due to early rains experienced.

Stellenbosch Municipality

Appendix F for the year ended 30 June 2012

**APPENDIX F STELLENBOSCH
MUNICIPALITY**

DISCLOSURE OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

[illegible]

LGWSETA Skills Development	SETA		1,220,427.34	414,403.09	-	732,636.61	76,917.38	2,989.20
22,581.00	219,620.00	259,215.00	1,939,979.22	N/A	N/A Magazine Subsidy	Dept Cultural Affairs and Sport	-	-
-	-	-	-	-	-	-	-	N/A
Reconstruction of Roads	Cape Winelands District Municipal			N/A	N/A	-	-	-
17,027,418.29	21,896,619.57	35,507,787.01	76,917.38	7,072,972.24	N/A Total Grants and Subsidies Received	68,562,073.45	9,975,708.70	22,269,608.49
0					3,051,637.53	8,115,958.82		0

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ANNEXURE B: REPORT OF THE AUDITOR GENERAL

**REPORT OF THE AUDITOR-GENERAL TO THE WESTERN CAPE PROVINCIAL PARLIAMENT AND
THE COUNCIL ON STELLENBOSCH MUNICIPALITY****REPORT ON THE FINANCIAL STATEMENTS****Introduction**

1. I have audited the financial statements of the Stellenbosch Municipality set out on pages 11 to 96, which comprise the statement of financial position as at 30 June 2012, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practices (SA Standards of GRAP) and the requirements of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2011 (Act No. 6 of 2011) (DoRA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Stellenbosch Municipality as at 30 June 2012 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

Emphasis of matters

7. I draw attention to the matter below. My opinion is not modified in respect of this matter:

Restatement of corresponding figures

8. As disclosed in note 56 to the financial statements, the corresponding figures for 30 June 2011 have been restated as a result of errors discovered during the 2011-12 financial year in the financial statements of the Stellenbosch Municipality at, and for the year ended, 30 June 2011.

Material losses

9. The municipality suffered a significant water loss of 1 652 058 kilolitres during the year under review as disclosed in note 53 to the financial statements. This represents a loss on purchases of 13.47% on water.
10. As disclosed in note 30 to the financial statements, material losses to the amount of R19397224 were incurred as a result of a write-off of irrecoverable consumer debtors.

Additional matters

11. I draw attention to the matters below. My opinion is not modified in respect of these matters:

Unaudited supplementary schedules

12. The supplementary information set out on pages 97 to 111 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

13. In accordance with the PAA and the *General Notice* issued in terms thereof, I report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

14. I am unable to report on the usefulness and reliability of the of the annual performance report of Stellenbosch Municipality as it was not prepared as required by section 46 of the MSA and section 121(3)(c) of the MFMA.

Compliance with laws and regulations

15. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Strategic Planning and Performance Management

16. The municipality did not set appropriate key performance indicators as a benchmark for measuring

performance, including outcomes and impact, with regard to the municipality's development priorities and objectives set out in its integrated development plan. Also the municipality did not set measurable performance targets with regard to each development priority and objective.

Annual financial statements, performance and annual report

17. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 122 of the Municipal Finance Management Act. Material misstatements of non-current assets and disclosure were identified by the auditors.
18. The annual performance report for the financial year under review was not prepared as required by section 46 of the Municipal Systems Act and section 121(3)(c) of the Municipal Finance Management Act.

Asset Management

19. An adequate management, accounting and information system which accounts for assets was not in place, as required by section 63(2)(a) of the Municipal Finance Management Act.

Internal control

20. I considered internal control relevant to my audit of the financial statements, performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in findings on the performance report and the findings on compliance with laws and regulations included in this report.

Leadership

21. The accounting officer has not maintained adequate oversight regarding reporting on predetermined objectives and compliance to laws and regulations as the municipality has not reported on performance on predetermined objectives quarterly as required by the Municipal Planning and Performance Management Regulations. The non-submission of the quarterly reports was escalated to the council by the audit committee, however adequate corrective action was not taken, resulting in non compliance to the MSA.
22. Action plans to address internal control deficiencies identified on predetermined objectives, financial reporting misstatements and compliance to laws and regulations in the prior year were not adequately implemented and monitored, which resulted in the non-submission of quarterly and annual performance reports. This also impacted the quality of the financial statements submitted for the year under review.

Financial and performance management

23. Adequate reviews were not performed on the financial statements prior to their submission for audit and therefore the financial statements contained various misstatements in the areas of property, plant and equipment and commitments which resulted in non compliance to the MFMA. Record management of evidence for predetermined objectives was not adequate and resulted in the annual performance report not being prepared and submitted for audit purposes.

OTHER REPORTS

Investigations

Investigations in progress

24. Various investigations were conducted in respect of procurement irregularities at the municipality. The investigations were still ongoing at the reporting date.

Auditor-General

Cape Town

30 November 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

ANNEXURE C: REPORT OF THE PERFORMANCE AUDIT COMMITTEE

This report is provided by the Audit Committee in respect of the 2011-2012 financial year of Stellenbosch Municipality. The Audit Committee has complied with its responsibilities in terms of Section 166 of the MFMA and applicable Treasury Regulations. The Committee has also regulated its affairs and discharged its responsibilities in terms of the Audit Committee Charter. The Committee's operation is guided by the Institute of Internal Auditor's Standards and the King III report on Corporate Governance.

The committee is appointed by Council. Information on the membership and composition of the Audit Committee, its terms of reference and its procedures are described more fully in the annual report, of which the annual financial statements forms a part.

Execution of functions

The Audit Committee has executed its duties and responsibilities during the financial year in accordance with its terms of reference as they relate to Council's accounting, internal auditing, internal control and financial reporting practices.

During the year under review the committee, amongst other matters, considered the following:

– In respect of the external auditors and the external audit:

- approved the external auditors' terms of engagement, the audit plan and budgeted audit fees payable;
- reviewed the audit and evaluated the effectiveness of the audit;
- obtained assurance from the auditors that their independence was not impaired;
- considered the nature and extent of all non-audit services provided by the external auditors;
- obtained assurances from the external auditors that adequate accounting records were being maintained;

– In respect of the financial statements:

- confirmed the going concern as the basis of preparation of the interim and annual financial statements;
- examined and reviewed the interim and annual financial statements as well as financial information disclosed to the public prior to submission and approval by Council;
- reviewed reports on the adequacy of the portfolio and specific impairments and impairment of other assets,
- ensured that the annual financial statements fairly present the financial position of the Stellenbosch Municipality as at the end of the financial year in accordance with SA Standards of GRAP and in the manner required by the MFMA and DoRA.

- considered the appropriateness of accounting treatments, significant unusual transactions and accounting judgements;
- considered the appropriateness of the accounting policies adopted and changes thereto;
- reviewed and discussed the external auditors' audit report;
- through the chairman, met separately over the course of the year with the chief audit executive, the CFO, the chief risk officer, management and the external auditors.
- reviewed any significant legal and tax matters that could have a material impact on the financial statements; and
- noted that there were no material reports or complaints received concerning accounting practices, internal audit, internal financial controls, content of annual financial statements, internal controls and related matters.

The Audit Committee at its meeting of the 12-12-2012: RESOLVED (nem con)

- (a) that the audited Financial Statements, be noted;
- (b) that it be noted that the CFO would in future submit to the Audit Committee half-yearly financial statements;
- (c) that Directors note that the CFO will via the Office of the Municipal Manager be enforcing stricter compliance to deadlines for capital and operational orders; and
- (d) that Directors note that for the CFO to do proper quality checks on the financial statements, capital orders for the current financial year will close early in May 2013 while operational orders will close towards the end of May 2013.

– In respect of internal control and internal audit:

- reviewed and approved the annual internal audit mandate and audit plan and evaluated the independence, effectiveness and performance of the internal audit department and compliance with its mandate;
 - considered reports of the internal and external auditors on Council's system of internal control, including internal financial controls and maintenance of effective internal control systems;
- reviewed significant issues raised by the internal audit processes and the adequacy of corrective action in response to such findings;
- reviewed significant differences of opinion between the internal audit function and management and noted that

all issues raised was addressed and resolved;

assessed the adequacy of the performance of the internal audit function and found it to be satisfactory and the adequacy of the available internal audit resources and found it to be limited as more resources are required to evaluate the control weaknesses and high risk areas identified in the audit universe;

received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal thereof; and

based on the above, the committee formed the opinion that at the date of this report there were no material breakdowns in internal control, including internal financial controls, resulting in any material loss to the Council.

–In respect of legal and compliance with laws and regulations:

- reviewed with management matters that could have a material impact on Council;
- monitored compliance with the MFMA, requirements of treasury, Council's policies all other applicable legislation and governance codes and reviewed reports from the internal and external auditors detailing the extent of compliance; and

noted that several complaints were received via the fraud hot-line and that the matters are being dealt with by the fraud response committee. A formal report will be submitted to the Audit Committee on a quarterly basis on progress and outcomes.

–In respect of risk management and information technology:

- considered and reviewed reports from management on risk management, including fraud risks and information technology risks as they pertain to financial reporting and the going concern assessment;

in respect of the coordination of assurance activities, the committee reviewed the plans and work outputs of the external and internal auditors and concluded that these were adequate to address

all significant financial, operational and compliance risks facing the business;

–In respect of pre-determined objectives(PDO's):

- the Performance Report was supposed to have been submitted to the AG by 31 August where after a further deadline of 30 September was not met either;
- Performance reports were also not submitted to internal audit on a quarterly basis;
- the Audit Committee raised its grave concern that the deadlines in respect of submission of the Performance Report were not met;

- the Audit Committee could therefore not evaluate whether the strategic objectives of council were met as reporting on KPI's and SDBIP's were not submitted and not evaluated by the AG and internal audit

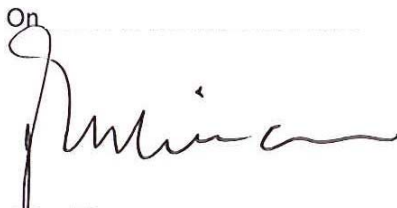
Independence of the external auditors

The audit committee is satisfied that the AG are independent of the Council. This conclusion was arrived at, inter alia, after taking into account the following factors:

- the presentations made by the AG to the audit committee;
- the auditors' independence was not impaired by any consultancy, advisory or other work undertaken by the auditors;

The audit committee has reviewed the financial statements and AG report and recommended it to Council for approval.

Behalf of the audit committee

On _____

John Minnaar
Chairperson